United Nations

United Nations Conference
on Trade and Development

Report of the Trade and Development Board

Sixteenth, seventeenth and eighteenth executive sessions and forty-fifth session

General Assembly
Official Records • Fifty-third Session
Supplement No. 15 (A/53/15/Rev.1)

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INTRODUCTION

The sixteenth executive session of the Trade and Development Board was held at the Palais des Nations, Geneva, on 16 February 1998. The executive session consisted of two meetings - the 891st and 892nd plenary meetings of the Board. The report of the sixteenth executive session forms part one of the present report.

The seventeenth executive session of the Trade and Development Board was held at the Palais des Nations, Geneva, on 8 May 1998. The executive session consisted of one meeting - the 893rd plenary meeting of the Board. The report of the seventeenth executive session forms part two of the present report.

The eighteenth executive session of the Trade and Development Board was held at the Palais des Nations, Geneva, on 10 July 1998. The executive session consisted of one meeting - the 894th plenary meeting of the Board. The report of the eighteenth executive session forms part three of the present report.

The forty-fifth session of the Trade and Development Board was held at the Palais des Nations, Geneva, on from 12 to 23 October 1998. In the course of the session, the Board held six plenary meetings - the 895th to 900th meetings. The report of the Board on its forty-fifth session forms part four of the present report.

The report was prepared by the Rapporteur under the authority of the President of the Board, in accordance with the guidelines adopted by the Board in the annex to its decision 302 (XXIX) of 21 September 1984. The report records, as appropriate, the action by the Board on the substantive items of its agenda and on procedural, institutional, organizational and administrative matters. Summaries of the statements made in the course of the forty-fifth session on the various items of the agenda are contained in document TD/B/45/13 (Vol. II).

Part One

REPORT OF THE TRADE AND DEVELOPMENT BOARD ON ITS SIXTEENTH EXECUTIVE SESSION

Held at Geneva on 16 February 1998

I. DECISIONS ADOPTED BY THE TRADE AND DEVELOPMENT BOARD AT ITS SIXTEENTH EXECUTIVE SESSION

The following decisions were adopted by the Trade and Development Board at its sixteenth executive session, held at Geneva on 16 February 1998:

Decision 445 (EX-16): Action by the Trade and Development Board on the implementation by UNCTAD of the outcome of the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development

The Trade and Development Board,

1. Takes note of the report of the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, held at Geneva on 27 and 28 October 1997 (WT/COMTD/12);

2. Endorses the Integrated Framework for Trade-related Technical Assistance, including for Human and Institutional Capacity-building, to Support Least Developed Countries in Their Trade and Trade-related Activities (WT/LDC/HL/1/Rev.1), and notes with satisfaction that the Framework aims to ensure that trade-related technical assistance activities are demand-driven by the least developed countries and meet their individual needs effectively;

3. Invites the UNCTAD secretariat, in the context of its work programme on issues of concern to least developed countries, to:

(a) Contribute, through inter-agency coordination, to providing an integrated response to the trade-related technical assistance needs of those least developed countries which submitted needs-assessment reports but which were not featured in pilot country round tables;

(b) Assist in refining needs assessment, as required;

(c) Help, upon request, those Governments of least developed countries that have submitted needs assessments to prepare, jointly with other agencies/partners, a multi-year, trade-related technical cooperation programme;

(d) Upon request, contribute actively and provide technical support to those round-table processes at the country level envisaged in paragraphs 5 (e) and (f) of the Integrated Framework;

(e) Contribute to the establishment and maintenance of an integrated country database within the scope of the Integrated Framework;

(f) Contribute to the implementation, review, monitoring and evaluation of each country programme through an enhanced coordination process with the other organizations involved;

(g) Include UNCTAD activities under the Integrated Framework in the secretariat's annual report on technical cooperation to the Working Party on the Medium-term Plan and the Programme Budget and to the Board;

(h) Ensure that existing relevant technical cooperation activities of UNCTAD, including country-specific, sectoral and other inter-agency programmes,

are supportive of, complement and promote the effective implementation of the outcome of the High-level Meeting;

4. Invites development partners of least developed countries, both bilateral and multilateral, to provide adequate extrabudgetary resources as necessary to UNCTAD to supplement regular budget allocations to implement the above activities in conformity with paragraph 5 (j) of the Integrated Framework;

5. Requests the UNCTAD secretariat to ensure that the outcome of the two thematic round tables organized within the framework of the High-level Meeting is brought to the attention of the relevant Commissions and expert meetings of UNCTAD for consideration and necessary follow-up action; in particular, the outcome on trade should be referred to the Commission on Trade in Goods and Services, and Commodities, that on investment to the Commission on Investment, Technology and Related Financial Issues, and the outcome on wider development issues to the Commission on Enterprise, Business Facilitation and Development; the secretariat is requested to provide those Commissions with option papers setting out the policy options they may wish to consider in the light of the outcomes;

6. Recommends that the Secretary-General of UNCTAD consider convening an ad hoc meeting as soon as possible on the Generalized System of Preferences (GSP), the Global System of Trade Preferences among Developing Countries (GSTP) and new initiatives for least developed countries in the area of market access to provide an opportunity for officials and experts from member States to discuss the major new developments in their national GSP schemes, including review of their special provisions in favour of least developed countries, propose measures to extend the necessary advisory services to enhance GSP/market access utilization, and follow up and monitor the announcements made in this regard during the High-level Meeting; the report of the ad hoc meeting should be brought to the attention of the Commission on Trade in Goods and Services, and Commodities;

7. Requests the UNCTAD secretariat to inform the board, on a six-monthly basis to begin as soon as possible, on progress in the design and implementation of activities related to the High-level Meeting, and in particular on:

(a) Work relating to inter-agency coordination, both at the headquarters level and in the field;

(b) Suggested priorities arrived at in consultation with other agencies for the implementation of its part of the outcome of the High-level Meeting, taking into account available and possible future resources;

(c) The relevant allocation of resources, including, where possible, cost estimates relating to both regular budget and extrabudgetary activities, including those supported by the trust fund for least developed countries;

8. Invites the Secretary-General of UNCTAD to consider, in cooperation with the relevant organizations, appropriate arrangements at the inter-agency level to ensure coordinated implementation of the outcome of the High-level Meeting and to report at the April consultations of the President of the Board for further consideration of the matter by the Trade and Development Board;

9. Recommends that, in the light of the report of the Secretary-General of UNCTAD, the Trade and Development Board consider how best to achieve

intergovernmental coordination between the relevant organizations in order to ensure the most efficient implementation of the outcome of the High-level Meeting.

892nd plenary meeting
16 February 1998

Decision 446 (EX-16): Guidelines on the efficiency and functioning of the UNCTAD intergovernmental machinery

Within the framework of the intergovernmental structure established at the ninth session of the United Nations Conference on Trade and Development, the Trade and Development Board, at its sixteenth executive session, has reviewed the functioning of its intergovernmental machinery and has adopted the guidelines set out below in order to improve the working methods and enhance the functioning of that machinery. The various bodies at the different levels of the machinery, with the support of the secretariat, will apply these guidelines immediately and in a flexible manner to ensure maximum effectiveness.

General considerations

1. The role of bureaus should be an active one, both during and between sessions of the bodies concerned. Bureaus should deal with organizational and procedural matters. Should they wish to take up matters relating to the preparation of substantive issues, they should meet as extended bureaus.*

2. The UNCTAD calendar of meetings should be designed to ensure that expert meetings take place before the sessions of the relevant commission, and that commission sessions take place prior to sessions of the Board.

3. Delegations should be briefed on all aspects of a meeting at least four weeks before the meeting. Pre-session documentation should be distributed on time and in all languages.

4. Panels should be organized only when they can add value to the discussions of the bodies concerned. Member States should be consulted well in advance in connection with the topics of panels and the choice of panellists. The selection of panellists should be based on the need to ensure a balanced presentation of the topics selected, as well as linguistic and regional balance. Permanent missions should be informed of invitations extended to panellists or resource persons from their countries. Panellists should be properly briefed prior to meetings, and they should provide written summaries of their presentations for distribution to participants. The length of time spent on panels and the number of panellists should be limited in order to allow sufficient time for intergovernmental discussions. A written summary of the panel discussions should be produced by a rapporteur in order to ensure the necessary link with the intergovernmental debate.

5. To improve transparency and allow maximum participation, simultaneous meetings during a session should generally be avoided, and discussions on texts on which decisions must be taken, in particular agreed conclusions, should normally take place in informal plenary meetings, not in closed consultations.

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* An extended bureau comprises the officers of the bureau, the regional group coordinators and interested delegations.

6. All information relating to meetings, including preparations, documentation and outcomes, should be made available on UNCTAD's web site, which should be regarded as an integral part of meetings arrangements. Information on pre-session preparations and documentation should, in principle, be made available six weeks before a meeting.

7. Brief summaries should be prepared by the secretariat of all informal substantive discussions, without attribution of views to individual delegations.

Trade and Development Board and Working Party on the Medium-term Plan and the Programme Budget

8. The agenda for sessions of the Trade and Development Board should be prepared in such a way as to allow the Board to cover all issues addressed to it in the final outcome of the ninth session of the United Nations Conference on Trade and Development. It should be well focused.

9. The Board should examine and evaluate the work of the Commissions and determine the direction of new work; it should not just take note of the Commissions' reports.

10. The Board should strive to achieve better coherence between its sessions and the sessions of the Commissions in terms of choice of items and preparation of the calendar to enable the expertise of the expert meetings to find its way up to the Board and to allow the Commissions to take account of the deliberations of the Board.

11. Preparations for the high-level segment, including the selection of the theme, the chairman and the panellists, should be transparent and based on consultations with all member States.

12. The theme of the high-level segment should be of international importance in order to attract high-level participation; the selection of the theme should take place in the first half of the year. In principle, there should be a direct link between the theme of the high-level segment and the agenda for the Board's session.

13. High-level representatives at the segment should be given an opportunity to present their views and participate fully, with the high-level segment being treated as a high-level intergovernmental debate.

14. The secretariat should prepare a summary of the discussions of the high-level segment as rapidly as possible and, if timing permits, before the end of the regular session of the Trade and Development Board.

15. The work of the Working Party on the Medium-term Plan and the Programme Budget should be coordinated and synchronized with the work of the relevant bodies at United Nations Headquarters, in New York, in order to ensure that the views of the Working Party are taken fully into account. Its work should also be organized in such a way as to give members sufficient time to consider documentation.

Commissions and expert meetings

16. The organization of work of the Commissions should be such as to allow the Commissions to devote themselves to substantive issues.

17. The bureaus of the Commissions, meeting in the appropriate configuration, should continue to function between Commission sessions with a view to dealing with, among other things: preparations for and follow-up to Commission sessions and expert meetings; preparation of proposed topics for Commission agendas and expert meetings; organization of work; and documentation.

18. The number of expert meetings to be convened by a Commission should be determined by the Board.

19. Each Commission should consider the findings of its expert meetings and discuss their policy implications. It should have before it an indication by the secretariat of the nature of those policy implications and of possible action to be taken.

20. In selecting the topics for expert meetings, Commissions should ensure that topics are demand-driven, are closely related to the Commissions' work and take into consideration issues of current interest to member States and in particular to developing countries. Account must be taken of UNCTAD's comparative advantages and of the secretariat's expertise and capacity.

21. The Commissions should discuss and evaluate technical cooperation activities linked to their work programmes and make proposals to the Board. Special attention should be given to strengthening the synergy between policy dialogue, study and analysis, and technical cooperation.

22. Wherever possible, as the outcome of their work the Commissions should seek to adopt agreed conclusions of relevance to the international community, Governments and the UNCTAD secretariat. Recommendations for work to be carried out by the secretariat should be practical and realistic in terms of capacity.

23. When the Commissions request work to be carried out by the secretariat, the latter should inform the Commissions in particular of the schedule of work, the probable time of completion and reporting modalities.

24. The Commissions should have before them, at the following session, progress reports on the implementation of agreed conclusions and recommendations by the secretariat. Those progress reports, which should include an evaluation of the work undertaken, should be presented to the extended bureaus before being submitted to the Commissions.

25. Experts attending expert meetings convened in accordance with paragraph 114 of the document entitled "A Partnership for Growth and Development"[1] are nominated by their Governments. All participants at expert meetings have the status of expert and serve in their personal capacity. In all matters relating to participation of experts in expert meetings, the secretariat should deal with permanent missions. Governments are encouraged to nominate non-governmental experts also.

26. To improve the effectiveness of expert meetings, the secretariat should provide experts with appropriate information on UNCTAD, its activities and procedures, and the anticipated nature of the expert meetings in question.

27. The agenda of each expert meeting should be clearly established by the Commission convening the meeting.

28. Wherever possible, as the outcome of their work expert meetings should seek to identify possible policy options relating to capacity-building and general policy guidelines.

29. After each expert meeting, it is recommended that the extended bureau of the relevant Commission meet in order to discuss the outcome of the meeting.

30. With a view to facilitating the participation of experts in expert meetings and thereby helping to improve the effectiveness of those meetings, member States are encouraged to explore means of enhancing such participation, including through contributions to the trust fund established by the Secretary-General of UNCTAD and other resources possible to finance the participation of experts from developing countries.

892nd plenary meeting
16 February 1998

Decision 447 (EX-16): UNCTAD's publications policy

The Trade and Development Board,

Decides that the Working Party on the Medium-Term Plan and the Programme Budget should meet as soon as possible to:

(a) Review the "Report on documentation and publications" (TD/B/EX(15)/5) of 27 May 1997 and the "Progress report on the implementation of UNCTAD's publications policy" (TD/B/EX(16)/3 and Add.1) in order for member States to ascertain to what extent the policy set out therein is in line with their objectives for the overall publications policy of UNCTAD, taking into account the current discussion in the General Assembly on the publications policy for the United Nations as a whole in the light of the report of the Joint Inspection Unit[2] and the comments of the Secretary-General of the United Nations thereon,[3] and to enable member States to monitor that UNCTAD publications are in line with the publications policy;

(b) Recommend any changes that might need to be adopted to achieve such objectives and to ensure the role of member States in that process.

892nd plenary meeting
16 February 1998

Decision 448 (EX-16): Savings resulting from improved overall cost-effectiveness

The Trade and Development Board,

Recalling paragraph 107 (a) of the document entitled "A Partnership for Growth and Development",[1] paragraph 33 of General Assembly resolution 51/167 of 16 December 1996, and paragraph 54 of General Assembly resolution 52/220 of 22 December 1997,

Decides:

(a) To request the Secretary-General of UNCTAD to present as soon as possible to the Working Party on the Medium-Term Plan and the Programme Budget a detailed report on the savings achieved pursuant to the ninth session of the United Nations Conference on Trade and Development and paragraph 54 of General Assembly resolution 52/220;

(b) That the Working Party should meet urgently to review the savings resulting from the improved overall cost-effectiveness achieved pursuant to the ninth session of the Conference, including restructuring of the intergovernmental machinery and reform of the secretariat, and to analyse proposals, when forthcoming, on the use of such savings;

(c) That the Working Party should propose recommendations on how to allocate in the 1998-1999 budget cycle a part of the savings already achieved with a view to strengthening UNCTAD capabilities, including technical cooperation.

892nd plenary meeting
16 February 1998

II. OPENING DEBATE

1. The Secretary-General of UNCTAD said that he had attended the meeting of the Group of 24 held at Caracas from 7 to 9 February 1998, at which the Asian financial crisis had been discussed. In his statement to the meeting, he had concentrated on two main points: the first concerned the implications of the financial crisis in terms of international trade; the other related to the global context in which the crisis was taking place, namely the major macroeconomic imbalances already present in the world economy and what could be done to avoid the too frequent repetition of major financial and monetary crises.

2. On the first point, even before the crisis had started in Asia, there had already been a lack of equilibrium among the major economies in the world, with a growing tendency towards surplus in trade balances and current account balances on the part of Japan and the European Union and, by contrast, a growing trade deficit on the part of the United States. With the impact of the Asian financial crisis, that tendency could substantially worsen the prospects for international trade, as the Asian economies, which had been one of the major sources of global import demand, would have to adjust to the shock that they were experiencing and, at least for some time, would have to cut imports sharply and increase exports. Of course, that would pose the problem of who would have to absorb those additional exports in the international economy at a time when there was no major trend towards a recovery led by domestic demand in two of the major economies in the world. In addition, the credit situation in the Asian economies had been such that no export-led recovery had materialized so far. On the contrary, the substantial surpluses achieved in December in the Republic of Korea and Thailand had been largely due to sharp import reductions and not to export growth, because those economies were facing enormous constraints in getting access to export credit, insurance credit, and credit to import the raw materials and inputs that they needed in order to stimulate their foreign trade. In that connection, however, it appeared that steps were already being taken by some major countries to ease the terms of export credit for those economies.

3. With regard to the second problem, which was the need to devise better ways of avoiding the frequent repetition of crises, the lessons from the Latin American crisis of the 1980s had not been enough to avoid the serious crisis in Mexico and other countries of Latin America in 1994/1995, nor had the lessons from that episode made it possible to avoid the new crisis in Asia. That should indicate the need for humility and for a careful and balanced appraisal of what was behind those crises. No one could claim to have a full understanding of the reasons for the crises or of remedies to prevent them in the future, and what was needed was not a precipitate, ready-made or simplistic answer. In the recent past, it had been thought that simply ensuring greater transparency would be enough, but that had failed. Something more was needed, and that would be more in the nature of a process - a process with an agenda and time in front of it to carefully assess the nature and causes of those crises and better ways of preventing them. It was more a matter of improving institutions and improving instruments to deal with those crises than of achieving a definitive solution in a once-and-for-all effort. That approach was reflected in the final communiqué issued at the end of the meeting of the Group of 24 on 9 February.

4. The mission of UNCTAD was to serve as the focal point in the United Nations system for the integrated treatment of money, finance, trade, investment, technology and development with a view to creating favourable conditions for development. UNCTAD's approach to the Asian financial crisis was based on the

need to assess how problems related to financial flows could impact on international trade and development in general. The biggest threat to free trade was precisely the excessive volatility in monetary and financial relations; that was why one of UNCTAD's major concerns was to assess exactly what the impact would be in the current year in terms not only of trade but also of the prospects for short-term and portfolio financing, foreign direct investment and development opportunities. All those interrelated issues would be carefully monitored by UNCTAD during the coming year, either in the work on the Trade and Development Report, a major part of which would be devoted to the analysis of crises in recent years, or in the World Investment Report, which would try to assess the implications of the crisis for flows of foreign direct investment and the pattern of development that had taken place in Asia, the so-called flying geese paradigm. In addition, in May an expert meeting would study the problem in terms of portfolio investment. The basic purpose of such efforts should be to restore confidence and trust as soon as possible in those markets that had been affected. In that light, it might be interesting to devote part of the Board's session in October to consideration of the global implications of the crisis for trade, for development, for foreign direct investment and for other forms of financing.

5. The spokesperson for the Group of 77 and China (Costa Rica) said that, two years after the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa, the developing countries were facing challenges that could not have been foreseen. In pursuing its main function, which was to carry out analysis with a view to providing policy guidance, UNCTAD could help countries face up to the challenges before them, identify the root causes of problems and work out solutions. Many international forums were examining the South-East Asian crisis, and it would be a pity if UNCTAD did not do the same from the point of view of trade. The Group of 77 and China welcomed the fact that the Trade and Development Report would be devoted in part to the crisis and that discussions would also be held at an expert meeting, but it would also welcome an opportunity to discuss how UNCTAD could deal further with the matter. In that connection, it was worth noting that one of the purposes of executive sessions of the Board was to allow member States to discuss urgent issues; the present discussion showed the continuing relevance of that approach.

6. With regard to the period leading up to the tenth session of the United Nations Conference on Trade and Development, the agenda for the Conference should be decided on by the end of 1998. The Group of 77 and China would be setting up a preparatory committee for the Conference.

7. The representative of the United States of America said that he supported the Secretary-General of UNCTAD with regard to the importance of monitoring developments in Asia and their impact on trade and welcomed his suggestions as to the role that UNCTAD could play in that connection. The United States remained fully committed to the implementation of the outcome of the ninth session of the United Nations Conference on Trade and Development, as well as to the improved functioning of the intergovernmental machinery. It considered that member States should use the Mid-term Review to determine how UNCTAD's analytical work, policy research and assistance in policy formulation had influenced changes in national policies and local realities. A frank and open assessment would help pave the way to the tenth session of the Conference.

8. The guidelines on the efficiency and functioning of UNCTAD's intergovernmental machinery presented by the Vice-President of the board would certainly assist greatly in promoting the most transparent and efficient consideration of substantive issues. The United States also strongly supported

the draft decision on UNCTAD's publications policy; it would be essential to give the Working Party a mandate to allow it to begin reviewing that policy in April.

9. Finally, the strong emphasis in the Midrand Declaration on the needs of the least developed countries, particularly those in Africa, called for more vigorous and integrated efforts throughout the UNCTAD secretariat, and the high priority to be accorded to least developed countries should be reflected in resource allocations. His delegation supported the efforts to enhance its coordination with relevant international organizations and donors.

10. The spokesperson for the African Group (South Africa) said that one way of starting work on the East Asian crisis would be to have a seminar, convened by the Secretary-General of UNCTAD under his own authority, to help delegations map out what was known and share views. He requested the President of the Board to continue looking into the issue with a view to reaching a final decision.

11. The representative of the United Kingdom, speaking on behalf of the European Union, said that the Asian crisis affected all countries, and UNCTAD should have a role to play in examining the crisis from a trade and development perspective. That would also provide an opportunity to look at existing development models with a view to their possible revision. The Asian financial crisis was a complex matter. It was not yet over. The temptation to draw hasty lessons or reach simplistic conclusions must be avoided. One should distinguish between the three stages involved in considering the crisis: short-term crisis management; the process of drawing conclusions; and consideration of what was to be done to avoid future crises. Currently, the crisis-management phase was under way. The European Union looked forward to the coverage of the problem in the Trade and Development Report and by the Board in October. With regard to the question of a seminar on the subject, the European Union was sympathetic to the idea, but it was still too soon for such a meeting, and in any case the subject was of such importance that it would be preferable to take it up within the framework of the intergovernmental machinery. The crisis could perhaps be the theme of the Board's high-level segment in October.

12. The representative of India said that there was a need for UNCTAD to carry out a set of activities in connection with the East Asian crisis so that the East Asian dynamic growth model could be examined in its current state of crisis with a view to drawing lessons. The European Union considered that it would be wrong to hurry into a seminar, but although no one could claim to understand all aspects of the crisis, the latter was having a real impact and any light that could be thrown on the problem would help policy makers to react in the most enlightened manner possible. While, therefore, it would indeed be wrong to be over hasty, it would also be a mistake to wait until the crisis was over and the damage done before acting. The idea of a seminar was a good one and should receive favourable consideration. An executive session was also a possibility; the main thing was to start work quickly.

13. The representative of China said that his country attached great importance to the Asian financial crisis. The high growth rates in Asia had led to high growth in the global economy, and the crisis in Asia would similarly lead to a drop in global demand and growth; thus, the crisis was a global issue. His delegation therefore supported the idea of holding a seminar or other meeting without delay in order to study the crisis and identify ways of preventing similar phenomena in the future. For its part, China would make every effort to continue cooperating with its neighbours and the International Monetary Fund in order to weather the storm. The Chinese currency would not be devalued, and

appropriate measures would be taken to absorb the unfavourable consequences of the crisis. The country would try to attain a growth rate of 8 per cent by expanding infrastructure and environment spending in order to raise demand. Financial reform would also be pursued.

14. The spokesperson for the Asian Group (Thailand) said that the contribution of UNCTAD should be directed towards restoring confidence and trust. His delegation welcomed the proposals concerning coverage of the crisis in the Trade and Development Report and the World Investment Report, as well as at the high-level segment of the Board, and it supported the idea of holding a seminar on the issue. Even although the crisis was not yet over, it was useful for countries to educate themselves as of now. The timing of such an event could be left to the discretion of the Secretary-General of UNCTAD.

15. The representative of Egypt said that the second Caracas declaration was useful and should be circulated as an official UNCTAD document. His delegation supported the idea of holding a seminar, which should take account of all dimensions of the crisis with a view to avoiding future ones. He could not agree with the European Union that UNCTAD should defer any activity in that connection. It was clear that no one understood all the causes of the crisis and that the latter was spreading quickly; thus, it was in fact important to speed up analysis in order to help all countries, developed and developing alike, to draw appropriate lessons. A part of the high-level segment of the Board could be devoted to the issue of the crisis.

16. The representative of Japan said that the crisis affected not only South-East Asia but East Asia as a whole and was very intricate. It was therefore important for UNCTAD's member States to grasp what had happened in order to avoid similar crises in the future. However, precisely because of the intricacy of the situation, it would be premature to discuss it in UNCTAD or anywhere else until an overall picture could be obtained. UNCTAD's mandate was in the area of trade, investment and development, and so far UNCTAD had not involved itself in any of the ongoing emergency operations in East Asia. He suggested that, even if the time became ripe, UNCTAD should invite the international organizations actually involved in operations in Asia to participate, and discussions based on their inputs should be assured in order to have a meaningful gathering on the issue.

17. The representative of Switzerland said that all counties were affected by the crisis. UNCTAD should see what could be done to avoid repetitions. His delegation had no problem with the idea of a seminar under the responsibility of the Secretary-General of UNCTAD.

18. With regard to the mid-term Review, the President of the Conference was to convene a high-level meeting with a view to sustaining the political impetus of the ninth session of the United Nations Conference on Trade and Development, and it was important for the relevance of UNCTAD that that meeting be an authentic exercise. With regard to UNCTAD's publications policy, which was an essential element of UNCTAD's work, member States must be involved in its formulation, since UNCTAD publications were used primarily by government policy makers.

19. The representative of Jamaica said that the "East Asian crisis" should rather be defined as a problem of global capital flows and related domestic policies. The crisis in East Asia was unique: although different from other crises, it shared with them a common thread, namely the problem of global capital flows. UNCTAD had a long history of dealing with the trade/development/money nexus, and it had a clear mandate for analysis, but although the best

analysis came after the event, there was also a need for analysis that would help policy-making in response to the unfolding situation. It would be wrong to wait until the crisis had already taken its toll on ordinary people, since a timely response could improve living standards and indeed save lives. If UNCTAD did not discuss the matter, it would be neglecting an issue that was central to development. If it waited until the Trade and Development Report became available at the autumn session of the Board, that would be too late, and if all it did was to hold a seminar of the Secretary-General of UNCTAD, that would not be a serious approach to a serious matter. It was hoped that UNCTAD would take a prudent but forward-looking and courageous approach, since its response would determine whether or not the organization was marginal.

20. The spokesperson for the Latin American and Caribbean Group (Venezuela) said that the ninth session of the United Nations Conference on Trade and Development had given UNCTAD a clear mandate to study capital flows, growth and development. That in itself gave UNCTAD a mandate to examine the East Asian crisis, but a number of other factors provided additional justification. First, there was a clear link between the crisis and macroeconomic analysis, and the commonly-made claim that maintaining macroeconomic balance automatically led to growth and stability needed more careful examination. Secondly, the crisis was spreading rapidly from one country to another, and it was therefore not just a financial crisis. In order to understand the mechanism, a new focus was needed in the approach to the problem. Thirdly, UNCTAD could make a fundamental contribution by focusing on the relationship between the monetary and financial system on the one hand and trade and development on the other. In short, UNCTAD had an important role to play in analysing the East Asian crisis, and it should do so at various levels, including the high-level segment of the Board, the Trade and Development Report and other mechanisms. Moreover, UNCTAD should deal with the question of global capital flows in the context of trade and development in an ongoing manner. It was hoped that the Secretary-General of UNCTAD would be in a position to make recommendations on how to proceed.

21. The President said that the East Asian crisis was complex, it affected trade and development and it seemed not to have exhausted itself in terms of its regional and global impact. While a number of countries supported the idea of holding a seminar in the near future, there was not as yet a clear consensus on the matter. It would therefore be advisable to explore the matter in the near future in order to decide how to proceed.

22. The Secretary-General of UNCTAD said that, although no one could pretend to have a full understanding of all the reasons behind the crisis, many aspects had already been identified in the analyses that had been published, among others by UNCTAD itself. The problems could be divided into three categories. The first concerned questions that were systemic in nature and had to do with system design; they related to whether the current system for regulating monetary and financial matters was the best possible or whether there was room for improvement. The second group of subjects was related not to system design in itself, that is, institutions and instruments, but to macroeconomic coordination, that is, how to improve the quality of coordination of policies among countries in general. The third group of problems had to do with the concrete manifestations of problems and shortcomings in system design or macroeconomic coordination and took the form of short-term problems, for instance impacts on trade, problems of credit, the collapse of financial flows, the banking sector, corporate debt, and increased protectionism.

23. Most of those questions had actually been addressed by UNCTAD in a timely way. In the 1990 Trade and Development Report, the basic message had been that

the 1990s would be dominated by financial volatility, and attention had also subsequently been drawn to the lack of good macroeconomic coordination among the major economies. It was strange that the latter subject, although central to the crisis, was barely mentioned in discussions, presumably because it had delicate implications in terms of the policies followed by economies like the European union or Japan. However, the world economy was not going to come out of the crisis if only one major economy, the United States, remained the sole and exclusive source of global import demand, as was likely to be the case at least in the next few months. In the same way, the risk of increasing trade protectionism and problems of export credit and of the banking sector had been addressed by UNCTAD on many occasions.

24. There were of course other problems that still remained to be adequately addressed, for example the question of corporate debt. If the Asian crisis was essentially a crisis of the banking system, it could be dealt with simply by improving the prudential regulations and supervisory measures applying to that banking system. But that was not the case, and other factors were also present, in particular the high indebtedness of the corporate sector. The debt incurred abroad by non-bank private companies and corporations in the Republic of Korea, Thailand and Malaysia had played an enormous role in the crisis.

25. The point was that most of those problems had been raised by UNCTAD and by other institutions, and in some cases concrete solutions had been proposed, while for others much remained to be done and there was no consensus about possible solutions. There was therefore still need for more informed and orderly debate by the international community in those areas, and what was needed was not an attempt at a sort of new Bretton Woods, a once-and-for-all major conference, but a balanced and careful process, with an agenda that would cover all the issues involved. Such a process could not take place in one institution alone, because there were matters which related to trade, while others fell more within the competence of the International Monetary Fund or other institutions. There was therefore scope for useful contributions by many different institutions, but that would take time, and the international community tended to act in such problems when it had no choice.

26. In some areas, of course, useful work could be done, particularly in respect of monitoring. What was the impact of the crisis on trade, for instance? How was the crisis going to change the pattern of trade in 1998? Would it contribute to an extension or a contraction of trade? How would participation in trade be affected? What would be the trends in terms of anti-dumping and the adoption of protectionist countermeasures? There were no ready-made answers to those questions, and consultations should be held to see how UNCTAD could contribute to overcoming problems of trade, export credit, insurance credit, and protectionism. If agreement was reached on ways of reaching those objectives, then the question of a seminar would also be resolved, since the problem was not so much whether to convene a seminar or a formal meeting, but what the goal was to be.

Action by the Board

27. At its 891st plenary meeting, on 16 February 1998, the Board took note of the statements made and agreed that the question of how to proceed on the issue of the East Asian financial crisis should be explored in the near future.

III. FOLLOW-UP TO THE HIGH-LEVEL MEETING ON INTEGRATED INITIATIVES FOR LEAST DEVELOPED COUNTRIES' TRADE DEVELOPMENT

1. The representative of France, speaking on behalf of the Permanent Representative of France, who had chaired open-ended consultations on the role of UNCTAD in the follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, convened by the World Trade Organization (WTO) at Geneva on 27 and 28 October 1997, and introducing the draft decision in document TD/B/EX.16/L.1, said that UNCTAD had been associated with the High-level Meeting at the secretariat level only. The adoption of the draft decision, however, would mark the formal acceptance by UNCTAD, at the intergovernmental level, of the recommendations adopted by the Meeting, particularly those related to the Integrated Framework for Trade-related Technical Assistance (WT/LDC/HL/1/Rev.1). Under the terms of the draft decision, the UNCTAD secretariat is invited to participate fully in the implementation of the decisions of High-level Meeting and related ongoing UNCTAD activities, such as the integrated country programmes, and activities planned in cooperation with other organizations would be integrated into that undertaking. The various levels of the intergovernmental machinery would take up the recommendations of the thematic round tables and the announcements made in connection with market access. The latter would also be the subject of an ad hoc expert meeting to be convened by the Secretary-General of UNCTAD. The secretariat was requested to keep the Board regularly informed of progress of work, and the Secretary-General of UNCTAD was invited to engage in discussions on an inter-agency cooperation mechanism.

2. The representative of Bangladesh, speaking on behalf of the least developed countries, said that much remained to be done in the follow-up to the High-level Meeting, and the least developed countries could not be blamed for their feeling of disappointment. The showcasing that was to have covered all willing least developed countries had not taken place, and the autonomous market access statements had not been collated. No information had been transmitted to the least developed countries, and they were not aware of any notification in that regard. No follow-up mechanism was yet in place.

3. The least developed countries urged speedier action on the part of the sponsoring agencies and wished to see UNCTAD play its mandated role in the follow-up. If necessary, UNCTAD should retool and gear its administrative and programmatic machinery to that end without further loss of time. The next series of events would be round tables in capitals of the least developed countries, for which UNCTAD should provide effective coordinated support. It was for UNCTAD to bring development perspectives into broader relief through the implementation measures and assist least developed countries in the mobilization of resources for integrated country programmes.

4. The least developed countries regarded the follow-up mechanism at both the intergovernmental and the institutional level as of critical importance in their efforts to build on the outcome of the High-level Meeting, and such a mechanism should be put in place without further delay. As for UNCTAD itself, the least developed countries had every confidence in its capacity to deliver.

5. The representative of Egypt said that the High-level Meeting had provided an important occasion for the international community to increase trade opportunities for least developed countries, in accordance with the Singapore Declaration, adopted in December 1996 by the first WTO Ministerial Conference, by providing technical assistance, facilitating market access for the exports of

least developed countries and creating a conducive environment for the implementation of reforms and measures by least developed countries. He stressed the importance of moving towards a world economic order characterized by justice and equity. The leading members of the international community should play their role in bridging the gap between the developed and developing countries and contribute to the costs of that process. It was, however, regrettable that the High-level Meeting had not been open to all members of UNCTAD and the International Trade Centre.

6. Egypt commended the leading role played by UNCTAD in providing assistance to least developed countries, and called on UNCTAD to play an active role in implementing the results of the High-level Meeting. After the needs of all least developed countries had been assessed, the scope of the programme should be expanded to cover all developing countries.

7. Egypt welcomed the Integrated Framework for Trade-related Technical Assistance adopted by the High-level Meeting. However, the organization of one-hour, country-specific round tables had not allowed for a detailed examination of the trade-related technical assistance needs of least developed countries. He emphasized the importance of considering the requirements of all least developed countries as soon as possible.

8. Some developing countries, despite the difficulties they were facing, had taken initiatives to help least developed countries in their development efforts. He hoped that developed countries would be more generous in assisting least developed countries, without any conditionality, to integrate into the world economy. Egypt was among the developing countries that had announced an initiative in favour of least developed countries at the High-level Meeting. The initiative involved a reduction in customs tariffs on a large number of products of export interest to least developed countries; training of trade officials; and readiness to host a symposium, to be organized by UNCTAD, WTO and ITC, to discuss issues relating to the accession of least developed countries to WTO. His delegation would undertake consultations with concerned organizations and countries in that regard and inform the Trade and Development Board of developments.

9. It was regrettable that the volume of official development assistance provided by members of the Development Assistance Committee of the Organization for Economic Cooperation and Development had declined and remained well short of the target of 0.7 per cent of gross domestic product. He hoped that trade-related technical assistance to least developed countries would be implemented rapidly within the context of the Integrated Framework and that a mechanism for follow-up would be put in place as soon as possible either in UNCTAD or in one of the other agencies involved.

10. The representative of Norway said that, within the framework of the priority given to the least developed countries in Norwegian development policy, his Government attached great importance to the High-level Meeting and its follow-up and welcomed the opportunity to promote more integrated approaches to trade and development and between agencies both in Geneva and system-wide. It was regrettable that UNCTAD had been unable to act as co-sponsor of the High-level Meeting, but that would not prevent UNCTAD from playing an active role in the follow-up process.

11. The draft decision supplemented and updated the strong mandate given to UNCTAD on work related to least developed countries. The follow-up to the High-level Meeting was not only a responsibility but also an opportunity for UNCTAD.

Owing to its focal-point responsibility on work related to least developed countries, as confirmed by the Paris Programme of Action and the Mid-term Global Review, UNCTAD had a unique background against which to address the real problems faced by least developed countries in the new global economy. It was time that the excellent work reflected annually in the Least Developed Countries Report be translated into policy advice to individual least developed countries in the context of the Integrated Framework.

12. While he welcomed the call in the draft decision for strengthened inter-agency coordination, he believed that member Governments also had a responsibility to coordinate their own policies and positions in different agencies.

13. The representative of the United Kingdom, speaking on behalf of the European Union, said that the item under consideration was of primordial interest to the European Union, which was wholly supportive of the High-level Meeting. The objectives of that meeting would only be achieved if they were taken seriously by the six agencies concerned, and the key to success was an integrated approach by each of the six agencies. Neither UNCTAD nor any other agency should believe that it could operate in isolation. Indicators should be developed on the progress and impact of programmes in countries, and there was a need for a clear timetable for action and agreement on a process for monitoring and evaluation. The translation of needs assessments for individual least developed countries into operational programmes for consideration by donors would require major efforts.

14. The European Union continued to be concerned by the lack of information on the financial and human resources to be deployed by UNCTAD in making its contribution to individual country programmes, and the Board must be provided with detailed information in that respect. The European Union was also concerned that, two years after the ninth session of the United Nations Conference on Trade and Development, the Special Coordinator for least developed countries has not been appointed.

15. The European Union sought information for the secretariat on: the working context established between the UNCTAD secretariat and the secretariats of other cooperating agencies; discussions between WTO and UNCTAD on the latter's ideas for a follow-up mechanism; and whether the activities would be undertaken by the Office of the Special Coordinator or by the relevant division, with the Special Coordinator acting in a coordinating role. The European Union did not foresee the need for any additional resources to be made available to UNCTAD for its internal coordination, and it asked for confirmation of that from the secretariat.

16. The representative of Ethiopia said it was encouraging to see that the six agencies involved in the High-level Meeting were committed to working closely in the implementation of the Integrated Framework for Trade-related Technical Assistance. Success, however, would depend on the readiness of the trading partners of the least developed countries to provide the necessary resources. The action by the Board on the implementation of the outcome of the High-level Meeting by UNCTAD was therefore only a beginning.

17. In the draft decision, the Secretary-General of UNCTAD was requested to consider convening an ad hoc meeting on the Generalized System of Preferences, and that was of importance for least developed countries. The problems of the least developed countries with regard to existing preferential market access opportunities related to the fact that either they were not fully aware of the

existence of such opportunities or they lacked the institutional and human resource capacities to take advantage of them. He urged the convening of the meeting in question as early as possible, with broad participation of officials from least developed countries.

18. The full implementation of the Integrated Framework for Trade-related Technical Assistance would require strengthened capacity in UNCTAD. In that regard, steps should be taken as expeditiously as possible to strengthen the Office of the Special Coordinator for Least Developed, Landlocked and Island Developed Countries.

19. The spokesperson for the Group of 77 and China (Costa Rica) expressed satisfaction in connection with the draft decision and reiterated the full solidarity of her Group with the most vulnerable members of the Group of 77, namely the least developed countries. The Group of 77 also wished to reiterate its full support to the secretariat in its effort to implement the follow-up to the High-level Meeting.

20. The representative of Uganda stressed that for the follow-up to the High-level Meeting, each agency must try to implement its commitments in consonance with other agencies. In that connection, he emphasized the importance of the early appointment of the Special Coordinator for least developed countries. There was a need for coordination at the national level, and he hoped that the UNCTAD secretariat would be in a position to respond to the requests of various Governments which needed assistance in that regard. Uganda had requested assistance for a round-table meeting. He looked forward to the convening of the ad hoc meeting on the Generalized System of Preferences and the Global System of Trade Preferences among Developing Countries, as called for in the draft decision, and he hoped that the meeting would provide insights into the utilization of the Generalized System of Preferences by the least developed countries. There was no need to stress the importance of inter-agency coordination, and in that regard he hoped that UNCTAD, given its experience as the focal point for least developed countries in the United Nations system, could expedite the process.

21. The representative of Sudan said that the commitments entered into at the High-level Meeting had not yet been translated into reality, and prompt action was therefore required on the part of the development partners of the least developed countries. UNCTAD had the necessary means and expertise to be able to play the primary role in implementing the outcome of the High-level Meeting, in partnership with other agencies. When preparations for the tenth session of the United Nations Conference on Trade and Development got under way, one goal should be to develop national and international policy measures that would promote sustainable development in least developed countries.

22. The representative of Haiti said that UNCTAD was the best placed of all the agencies involved in the High-level Meeting to coordinate the follow-up. It had long played a major role in the United Nations system in dealing with issues relating to least developed countries, and it had been active in that respect long before the High-level Meeting, in particular within the framework of the implementation of the two Paris programmes of action for least developed countries for the 1980s and 1990s, as well as in the context of the outcome of the ninth session of the United Nations Conference on Trade and Development. UNCTAD also had a mandate to follow up on the whole range of recommendations of the High-level Meeting, including those in the area of market access and in respect of related problems such as poor physical infrastructure. UNCTAD should therefore take the lead in coordinating the follow-up to the High-level Meeting,

and he called on the UNCTAD secretariat to do everything in its power to ensure an efficient follow-up process. However, he shared the concern of other delegations with regard to the insufficiency of the means available to the secretariat.

23. The Deputy Secretary-General of UNCTAD, responding to the European Union, said that the existing inter-agency mechanism, which had been designed primarily to provide an integrated response in respect of needs assessments for countries not among the first 12 showcases, would continue to function in its present form. On the follow-up mechanism, there had been discussions with the World Trade Organization (WTO), and the latter's suggestion to maintain the present inter-agency mechanism and set up a very small administrative unit in International Trade Commission (ITC) to provide logistical support and servicing, to which both WTO and UNCTAD would contribute some staff time, was acceptable to the UNCTAD secretariat. ITC was agreeable to proceeding in that way, which was more or less the method used in the case of the integrated technical assistance programme for selected least developed and other African countries. He also confirmed that there would be no need for additional resources for UNCTAD to provide for its own internal coordination; for that, UNCTAD would be using some of the additional resources allocated to its technical cooperation budget under section 21 of the budget. Any sectoral follow-up would be carried out by the divisions; the Special Coordinator would be responsible for coordinating that work and in some cases for organizing support for preparations for needs assessments, as long as those exercises involved a whole country and a number of sectors in it.

24. The representative of the United States of America said that her delegation would find it useful to have periodical reports on how the internal coordination was functioning, particularly once the Special Coordinator had been appointed. Such reports could, of course, be provided in an informal setting.

Action by the Board

25. At its 892nd plenary meeting, on 16 February 1998, the Board adopted the draft decision in document TD/B/EX(16)/L.1 and requested the Secretary-General of UNCTAD to put into immediate effect the relevant parts of the recommendations contained therein. (For the text of decision 445 (EX-16), see chapter I.)

IV. ORGANIZATION OF THE MID-TERM REVIEW

A. Consultations on the efficiency and functioning of UNCTAD's intergovernmental machinery

1. The representative of Morocco, speaking in his capacity as Vice-President of the Board and reporting on the informal consultations that he had conducted, said that one of the important outcomes of the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa, in 1996, had been the decision to restructure the intergovernmental machinery in order to reflect the more focused work programme of UNCTAD. The implementation of that decision had been generally satisfactory, since the new machinery had now been in operation for two years. At the same time, no major change could be expected to be problem-free, and the first meetings of the intergovernmental machinery had been marked by a number of difficulties and misunderstandings which had affected the way the machinery worked and sometimes also its effectiveness.

2. As far as the Commissions were concerned, difficulties had arisen in terms of, for example, the inadequacy of the links between panel discussions and intergovernmental debates and the excessive importance attached to procedural issues, while with regard to expert meetings, Commissions seemed not to be making enough use of their outcomes. In addition, panels had not always been used in the best way, while the choice of topics for expert meetings, their links with Commission agendas and the status of the participants had often been surrounded by ambiguity.

3. In the course of his consultations, delegations had reaffirmed their conviction that the current structure of the intergovernmental machinery, as established at the ninth session of the United Nations Conference on Trade and Development, continued to play a crucial role in translating the decisions taken at Midrand into relevant and concrete actions and, with the support of the secretariat, in contributing to the integration of the developing countries and countries in transition into the world economy. The members of the Board who had participated in the consultations considered that the adoption of the guidelines contained in document TD/B/EX(16)/L.2 would help improve methods of work and enhance effectiveness. The guidelines should be implemented in full and at once, with the support of the secretariat, in order to attain the goals set.

4. The representative of Mexico said that he welcomed the guidelines, since there was a need to coordinate the work of the Board, the Commissions and expert meetings, as well as that of the secretariat. Particular attention should be paid to the timely distribution of documentation in all languages in order to facilitate member States' participation in meetings.

5. The spokesperson for the Group of 77 and China (Costa Rica) said that she welcomed the efforts being made to ensure the more efficient use of resources, but such efforts must not distract member States from the real business of UNCTAD.

Action by the Board

6. At its 892nd plenary meeting, on 16 February 1998, the Board decided to endorse the draft guidelines relating to the efficiency and functioning of the UNCTAD intergovernmental machinery presented by the Vice-President of the Board

(TD/B/EX(16)/L.2) and decided that they should be put into effect immediately. (For decision 446 (EX-16), see chapter I.)

B. Launching of the Mid-term Review

7. The President proposed that the Board launch the Mid-term Review process which would in the first instance culminate in an executive session of the Board on 10 July 1998. In that connection, the secretariat had circulated informal documentation showing what action had been taken in implementation of the outcome of the ninth session of the United Nations Conference on Trade and Development and what remained to be done (UNCTAD/ISS/Misc.93 and Add.1). Two sessions of formal consultations would be held in June and July, and informal consultations could be held prior to that. He would request the representative of Morocco, Vice-President of the Board, to chair both formal and informal consultations and to report to the Board on 10 July.

8. The representative of the United Kingdom, speaking on behalf of the European Union, said that it would be important to establish parameters, objectives and methods for the Mid-term Review, as well as to avoid a proliferation of informal meetings and procedural wranglings. The aim of the Mid-term Review should not be merely to determine what had been done and what had not. It would be important to look at such issues as the need to strengthen the link between the analytical work of UNCTAD and its technical cooperation activities. It might be useful for the Secretary-General of UNCTAD to produce a short paper on the Review.

9. The representative of Norway said that the Mid-term Review should concentrate on the work programme and refine priorities in the light of the experience acquired since the ninth session of the United Nations Conference on Trade and Development. It should also serve as part of the preparations for the tenth session of the Conference. His delegation was concerned about the idea of dividing the Review into different phases, since it considered that it should involve an integrated process.

10. The representative of the United States of America said that she shared some of Norway's concerns. The high-level component of the Mid-term Review should be accorded the importance it deserved and could be organized on the day before or on the same day as the high-level segment of the Board at its forty-fifth session.

11. The spokesman for the African Group (South Africa) said that his delegation gave its fullest support to the suggestions of the President of the Board.

12. The representative of Canada said that it would be important to establish the timetable and objectives of the Mid-term Review as soon as possible. Given the importance of the Review, the high-level component could be scheduled during the high-level segment of the Board, or immediately before or after. It was to be hoped that a proliferation of informal meetings would be avoided.

13. The representative of Morocco, speaking in his capacity as Vice-President of the Board, said that the Mid-term Review would be completely transparent and not too time-consuming. In that connection, it would be important to respect the basic disciplines of intergovernmental work, such as following the schedule and agenda.

Action by the Board

14. At its 892nd plenary meeting, on 16 February 1998, the Board launched the mid-term review process. In so doing, it agreed that the representative of Morocco, Vice-President of the Board, would conduct the informal and formal work of the review and report the outcome to the executive session of the Board on 10 July 1998. The purpose of the review would be to determine to what extent the mandate established at Midrand in terms of work programmes and institutional reforms had been implemented; to identify what remained to be completed before the tenth session of the United Nations Conference on Trade and Development, including any adjustment that would need to be made to fulfil commitments made at Midrand; and to make recommendations on the work programme and agendas for the Board, the Commissions and expert meetings in the period leading to the tenth session of the Conference. The President would consult with the Secretary-General of UNCTAD and the presidency of the ninth session of the United Nations Conference on Trade and Development (South Africa) on how to finalize the review process and, in particular, how to respond to the General Assembly's request that the process should lead to a high-level meeting contributing to the tenth session of the Conference.

V. UNCTAD'S PUBLICATIONS POLICY*

1. The Deputy Secretary-General of UNCTAD recalled UNCTAD's role, reaffirmed at the ninth session of the United Nations Conference on Trade and Development, as a centre for research, conceptual innovation and policy analysis which illuminated changes in the global economy and facilitated policy formulation within, and constructive dialogue among, member States. Those objectives could only be attained if the results of UNCTAD's research and the lessons derived from its field operations reached the diverse individuals and institutions which shaped and implemented policies in member States. Publications, therefore, played an indispensable role in the fulfilment of UNCTAD's mission.

2. Referring to the rules and guidelines which governed UNCTAD's publications policy, he pointed out that, by the end of 1998, UNCTAD would have in place multilayered processes of both secretariat and intergovernmental scrutiny, in Geneva and New York, which were unparalleled in the United Nations system for their transparency and rigour. That had been recognized by the Joint Inspection Unit in its recent report to the General Assembly.[2] Another indication that UNCTAD's publications policy was appropriate was provided by the survey of proposed publications for the 1998-1999 biennium: Governments that had responded to the survey felt that the vast majority of planned publications were in fulfilment of mandates and were useful.

3. Apart from launching the first-ever scrutiny of UNCTAD's publications policy in fulfilment of paragraph 107 (a) of the document entitled "A Partnership for Growth and Development", adopted by the ninth session of the United Nations Conference on Trade and Development,[1] the Board might also wish to establish the modalities for conducting this exercise in the future. He felt that the Working Party on the Medium-term Plan and the Programme Budget could play a major role in this, as it was the intergovernmental body charged with the examination of the programme budget, of which the publications programme was an integral part. Furthermore, the Working Party would be better placed than in the past to perform that function, since UNCTAD's Secretary-General would made available, towards the end of the first year of any biennium, a first draft of the work programme for the following biennium and a list of proposed publications. Thus, member States would have nearly six months to obtain a considered reaction to the draft from their national experts. In addition to that material, the secretariat would annually provide the Working Party with three further items of documentation: results of in-depth readership surveys on selected material published during the previous year; the results of a survey of publications issued; and a progress report on the implementation of UNCTAD's publications policy.

4. The spokesperson for the Asian Group and China (Thailand) stressed the importance attached by his Group to the issue of publications policy. He noted that, in general, member States should recognize that policy on publications was established by the General Assembly and the Secretary-General of the United

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* The Trade and Development Board had decided at its fifteenth executive session to examine UNCTAD's publications policy at the present session, following consultations. For its consideration of agenda item 4, the Board had before it the following documentation: Report by the UNCTAD secretariat on documentation and publications (TD/B/EX(15)/5); progress report by the UNCTAD secretariat on the implementation of UNCTAD's publications policy (TD/B/EX(16)/3 and Add.1); and draft decision submitted by the Trade and Development Board.

Nations and that UNCTAD, as part of the United Nations, must be guided by such policy.

5. UNCTAD's main clients were developing countries, who stood to benefit most from its publications. The usefulness of UNCTAD's publications was demonstrated by the survey carried out among member States on the proposed publications for 1998-1999. Many developing countries did not have the research facilities and the access to independent advice that developed countries had, and UNCTAD's publications were therefore particularly useful to them. In this light, the views of developing countries on publications were particularly important.

6. Member States of all country groups had consistently stated in Geneva and New York that they had neither the wish nor the capacity to micro-manage the secretariat. They needed, however, to be assured that mandates were executed effectively and efficiently. The documentation available to the Board showed that, indeed, UNCTAD had in place suitable and effective mechanisms to ensure this. Since the ninth session of the United Nations Conference on Trade and Development, publications had been fewer, more focused and of higher quality. He was therefore convinced that there existed a coherent balance between the prerogative of member States to establish mandates, set goals and judge whether they had been implemented and the managerial prerogative of the Secretary-General of UNCTAD to use his discretion in carrying out member States' wishes. In this light, the Board's task was to discuss the report on documentation and publications (TD/B/EX(15)/5) so that the Secretary-General of UNCTAD could take the views of member States into account in the future. In particular, he believed that new publications on development issues which were in line with the changing international economic environment should also be considered.

7. The representative of the United States of America said that the proposed draft decision would allow member States to participate actively in monitoring UNCTAD's publication policy. She stressed the need for UNCTAD's publications department to have better information technology equipment and for UNCTAD's computer personnel to have long-term contracts.

8. The representative of the United Kingdom, speaking on behalf of the European Union, stressed the importance attached by the European Union to the issue of publications policy. He expressed his disappointment at the delay in the formal discussion of this issue by member States and at not having had an earlier opportunity to comment on the report on documentation and publications, an excellent basis on which to start examining the policy. He also found the progress report on the implementation of UNCTAD's publications policy (TD/B/EX(16)/3 and Add.1) valuable and helpful for the future debate. He hoped that there would be no further delays in examining this issue, starting in April in the Working Party on the Medium-term Plan and the Programme Budget.

9. While recognizing that many UNCTAD publications were valuable in terms of implementing mandates, he stressed that they should be demand-driven. For this, selectivity was important, target audiences had to be clearly identified for each publication, and a publication should be issued only when there was a need. He wished to know how the Publications Committee had utilized the outcome of the survey of member States on the proposed publications for 1998-1999 with a view to rationalizing the publications programme, and who decided which publications were to be subjected to in-depth scrutiny. A mechanism was also needed to prioritize publications. Member States should be informed of the outcomes of the work of the Publications Committee and the Flagship Report Review Panel and of the editorial guidelines established within the secretariat. He welcomed the agreement reached between UNCTAD and the Department of Economic and Social

Affairs of the United Nations Secretariat concerning their respective flagship reports in the macroeconomic area.

10. The representative of Uganda said that UNCTAD existed primarily to serve developing countries, who made use of UNCTAD publications to understand issues and obtain policy advice. The interests of developing countries and their views on publications were therefore very important. The evaluations of UNCTAD publications conducted to date had shown that they were useful and of high quality. He stressed that publications were important to enable UNCTAD's work to be known and to have an impact. UNCTAD should concentrate on critical issues, and intellectual content was important. He agreed that publications should be demand-driven, but also found that sometimes it would be useful if UNCTAD would look at some issues in advance. He maintained that member States should not micro-manage to the extent that publications came to represent only a certain way of thinking.

11. The representative of Bangladesh suggested that UNCTAD publications could also examine development issues in key fields such as new discoveries in energy, including gas. It was member States who should establish publications policy.

12. The representative of India complimented the secretariat for the reports prepared for the session. He attributed the delays in the formal discussion on publications policy partly to the long interval between the executive sessions of the Board.

13. The representative of Norway said he agreed with many of the comments made by the European Union. UNCTAD's publications should be relevant, demand-driven and prioritized, and they should be directed towards concrete needs and distributed in a cost-effective manner. He urged the avoidance of duplication with the publications of other institutions and thought that the possibility of merging or abolishing publications should be considered.

14. The Deputy Secretary-General of UNCTAD said that the secretariat, too, was disappointed at the delay in the formal discussion on this issue by member States. The publications policy had been before the Board at three sessions and had still not been substantively discussed, despite the importance attached to it by many member States.

15. With regard to the survey of proposed publications for 1998-1999, which had been submitted to the Working Party on the Medium-term Plan and the Programme Budget for its consideration in reviewing the proposed programme budget, the results were not easy to interpret. Even if a publication had received a relatively low average rating, that average generally concealed wide divergences in the ratings given by individual member States. For example, the Advanced Technology Assessment System (ATAS) Bulletin, which had received the lowest average rating of all 89 documents surveyed, had been given the top rating by one member State, the second highest by eleven member States, the third highest by seven member States, and the lowest by only four member States. In the absence of clear guidance, it was not possible to terminate a publication.

16. The representative of Switzerland said that his country attached great importance to member States playing an active role in monitoring individual publications, and it therefore welcomed that aspect of the draft decision.

Action by the Board

17. At its 892nd plenary meeting, on 16 February 1998, the Board adopted the draft decision submitted by the President of the Board. (For the text of decision 447 (EX-16), see chapter I.) The Board further agreed that the next consultations of the President of the Trade and Development Board would be devoted in part to the question of UNCTAD's publications policy.

VI. UNCTAD's TECHNICAL COOPERATION PLAN FOR 1998-2000*

1. The representative of the UNCTAD secretariat, responding to a question raised by Uganda, said that the technical cooperation plan would be revised as appropriate to reflect the work to be undertaken by UNCTAD in implementation of the outcome of the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development.

2. The spokesperson for the Group of 77 and China (Costa Rica) said that her Group supported the efforts of the secretariat with regard to technical cooperation, but it should be borne in mind that the original mandate of UNCTAD related to analysis, and the efficacy of the UNCTAD secretariat must not be reduced through a proliferation of technical cooperation activities.

3. The representative of the United Kingdom, speaking on behalf of the European Union, said that there was a need for more strategic planning, better overall planning and improved delivery in UNCTAD's technical cooperation activities. It was also crucial to take full account of the requirements of recipients.

4. The representative of Colombia noted that technical cooperation activities in Latin America had declined, and Latin America had in fact become the region with the lowest level of activity. He urged that the resources available for technical cooperation be distributed equitably among the regions. Finally, he emphasized that documentation prepared for the Board should be translated into all languages in full.

Action by the Board

5. At its 892nd plenary meeting, on 16 February 1998, the Board took note of UNCTAD's technical cooperation plan for 1998-2000 (TD/B/EX(16)/2).

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* For its consideration of agenda item 6, the Board had before it a note by the UNCTAD secretariat entitled "UNCTAD's technical cooperation plan for 1998-2000" (TD/B/EX(16)/2).

VII. OTHER BUSINESS

A. Membership of the Working Party on the Medium-term Plan and the Programme Budget

1. At its 892nd plenary meeting, on 16 February 1998, the Board took note of the membership of the Working Party on the Medium-term Plan and the Programme Budget for 1998, as follows: Bangladesh, Brazil, China, Ethiopia, France, Indonesia, Ireland, Japan, Kenya, Mexico, Morocco, Norway, Pakistan, Poland, Russian Federation, Slovakia, Sweden, United States of America and Uruguay.

B. United Nations/International Maritime Organization Diplomatic Conference on Arrest of Ships*

2. The representative of the United Kingdom, speaking on behalf of the European Union, said that UNCTAD should not play any substantive role in connection with the United Nations/International Maritime Organization Diplomatic Conference on Arrest of Ships. The role of the UNCTAD secretariat should be limited to one of administrative support.

3. The representative of the UNCTAD secretariat said that the Diplomatic Conference had been convened by the General Assembly. The role of UNCTAD would be limited to what had been set out in General Assembly resolution 52/182, of 18 December 1997.

Action by the Board

4. At its 892nd plenary meeting, on 16 February 1998, the Board endorsed the arrangements for the United Nations/International Maritime Organization Diplomatic Conference on Arrest of Ships proposed by the UNCTAD secretariat in document TD/B/EX(16)/4, as follows:

(a) The Conference would be held at Geneva for a period of two weeks, from 1 to 12 March 1999;

(b) The Secretaries-General of UNCTAD and the International Maritime Organization would make the necessary arrangements, in accordance with General Assembly resolution 52/182, of 18 December 1997, to hold the Conference and to submit to the Conference all relevant documentation, including draft rules of procedure of the Conference, as well as to arrange for all required facilities for the Conference;

(c) The Conference would establish one main Committee to consider the entire substantive work of the Conference;

(d) The languages of the Conference would be Arabic, Chinese, English, French, Russian and Spanish.

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* For its consideration of sub-item 7 (b), the Board had before it a note by the UNCTAD secretariat entitled "UN/IMO Diplomatic Conference on Arrest of Ships - General Assembly resolution 52/182" (TD/B/EX(16)/4).

C. Savings resulting from improved overall cost-effectiveness*

5. The representative of the United Kingdom, speaking on behalf of the European Union, said that, if the Working Party on the Medium-term Plan and the Programme Budget was to consider the matter of savings, it would be important for the relevant documentation to be made available by the secretariat as soon as possible.

6. The representative of Japan endorsed the point made by the United Kingdom.

7. The representative of the UNCTAD secretariat said that the documentation would be made available six weeks prior to the session of the Working Party.

8. The representative of Turkey said that there should be a reference in the draft decision to paragraph 103 of the document entitled "A Partnership for Growth and Development".[1] The only mention of savings so far concerned the allocation of 72 work months of interregional advisory services for the biennium 1998-1999. It was not clear whether those savings were similar in nature to the savings targeted in the draft decision.

9. The Deputy Secretary-General of UNCTAD said that paragraph 103 of "A Partnership for Growth and Development" was reflected in General Assembly resolution 51/167 of 16 December 1996, which was referred to in the draft decision. The documentation to be prepared for the Working Party could include some discussion of what was meant by "savings".

Action by the Board

10. At its 892nd plenary meeting, on 16 February 1998, the Board adopted draft decision TD/B/EX(16)/L.3, as orally amended by the President (see decision 448 EX-16) in chapter I).

11. The spokesperson for the Latin American and Caribbean Group (Venezuela) said it was hoped that the Working Party would work effectively with a view to recommending ways of allocating savings. Efficient and transparent cooperation on the part of the secretariat would be essential.

12. The spokesperson for the Group of 77 and China (Costa Rica) said that it was important to get a clear idea of the actual savings obtained in order to see how to use them. It should be borne in mind that UNCTAD was the flagship in the process of reform in the United Nations.

D. UNCTAD calendar of meetings

13. At its 892nd plenary meeting, on 16 February 1998, the Board approved the revised calendar of meetings for 1998 in document TD/B/44/INF.2/Rev.1.

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* For its consideration of sub-item 7 (c), the Board had before it draft decision TD/B/EX(16)/L.3.

VIII. INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

A. Opening of the session

1. The sixteenth executive session of the Trade and Development Board was opened on 16 February 1998 by Mr. Goce Petreski (The former Yugoslav Republic of Macedonia), President of the Board.

B. Bureau of the sixteenth executive session

2. There being no change in the elected officers of the Bureau since the forty-fourth session of the Board, the Bureau of the Board at its sixteenth executive session was as follows:

President: Mr. Goce Petreski (The former Yugoslav Republic of Macedonia)

Vice-Presidents: Mrs. Anne Anderson (Ireland)
Mr. Michael Ray Arietti (United States of America)
Mr. Dhurmahdass Baichoo (Mauritius)
Mr. Nacer Benjelloun-Touimi (Morocco)
Mrs. Eveline Herfkens (Netherlands)
Mr. Anthony Hill (Jamaica)
Mr. Gilberto Saboia (Brazil)
Mr. Vasily Sidorov (Russian Federation)
Mr. Bjørn Skogmo (Norway)
Mr. Bozorgmehr Ziaran (Islamic Republic of Iran)

Rapporteur: Mr. Sek Wannamethee (Thailand)

C. Adoption of the agenda

3. At its 891st meeting, on 16 February 1998, the Board adopted the provisional agenda for its sixteenth executive session, as circulated in TD/B/EX(16)/1 (see annex I).

D. Designation of intergovernmental bodies and non-governmental organizations for the purposes of rules 76 and 77 of the rules of procedure of the Board

4. The Board noted that two intergovernmental organizations in status with UNCTAD had changed their names: the International Conference of African States on Insurance Supervision had become the Inter-African Conference of Insurance Markets (Conférence interafricaine des marchés d'assurances), and the Andean Reserve Fund had become the Latin American Reserve Fund.

5. The Board approved the applications of two non-governmental organizations and decided to classify them as follows:

Special category: International Centre for Trade and Sustainable Development (TD/B/EX(16)/R.1) to participate in the work of the Commission on Trade in Goods and Services, and Commodities;

General category: International South Group Network (TD/B/EX(16)/R.2).

6. The Board also noted that the Baltic Exchange should be deleted from the list provided for in rule 77 of the rules of procedure of the Board.

E. Report of the Board on its sixteenth executive session

7. In accordance with past practice, the Board authorized the Rapporteur, under the authority of the President, to prepare the report of the Board on its sixteenth executive session.

Notes

[1] See Proceedings of the United Nations Conference on Trade and Development, Ninth Session, Midrand, South Africa, 27 April-11 May 1996, Report and Annexes (United Nations publication, Sales No. E.97.II.D.4), part one, sect. A.

[2] A/51/946.

[3] A/52/685.

ANNEX I

Agenda of the sixteenth executive session of the Board

1. Adoption of the agenda

2. Follow-up to the WTO High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development (27-28 October 1997)

3. Organization of the process of the mid-term review in accordance with the Midrand Declaration and General Assembly resolution 52/182

4. UNCTAD's publications policy in accordance with the decision of the fifteenth executive session of the Trade and Development Board

5. Institutional, organizational, administrative and related matters:

   (a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board;

   (b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

6. UNCTAD's technical cooperation plan for 1998-2000

7. Other business:

   (a) Membership of the Working Party on the Medium-term Plan and the Programme Budget for 1998;

   (b) UN/IMO Diplomatic Conference on Arrest of Ships - General Assembly resolution 52/182;

   (c) Savings resulting from improved overall cost-effectiveness;

   (d) UNCTAD calendar of meetings

8. Report of the Board on its sixteenth executive session.

ANNEX II

Membership and attendance*

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Algeria
Argentina
Australia
Austria
Bangladesh
Belarus
Belgium
Bhutan
Bolivia
Brazil
Bulgaria
Canada
Chile
China
Colombia
Costa Rica
Croatia
Cuba
Czech Republic
Democratic People's Republic of Korea
Denmark
Ecuador
Egypt
El Salvador
Ethiopia
Finland
France
Gabon
Germany
Ghana
Greece
Guatemala
Haiti
Iceland
India
Indonesia
Iraq
Ireland
Israel
Italy
Jamaica
Japan
Jordan
Libyan Arab Jamahiriya
Luxembourg
Madagascar
Malaysia
Malta
Mauritius
Mexico
Mongolia
Morocco
Myanmar
Nepal
Netherlands
New Zealand
Nicaragua
Norway
Pakistan
Paraguay
Peru
Philippines
Poland
Portugal
Republic of Korea
Romania
Russian Federation
Senegal
Slovakia
South Africa
Spain
Sri Lanka
Sudan
Sweden
Switzerland
Thailand
The former Yugoslav Republic of Macedonia
Trinidad and Tobago
Tunisia
Turkey
Uganda
Ukraine
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uruguay
Venezuela
Viet Nam
Yemen
Zambia

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* For the list of participants, see TD/B/EX(16)/INF.1.

2. The following other States members of UNCTAD, not members of the Board, were represented as observers at the session:

Eritrea
Holy See
Rwanda

3. The International Trade Centre UNCTAD/WTO was represented at the session.

4. The following specialized agencies were represented at the session:

International Labour Organization
Food and Agriculture Organization of the United Nations
International Monetary Fund
World Intellectual Property Organization
United Nations Industrial Development Organization

The World Trade Organization was also represented at the session.

5. The following intergovernmental organizations were represented at the session:

African, Caribbean and Pacific Group of States
Agency for Cultural and Technical Cooperation
Arab Labour Organization
Common Fund for Commodities
European Community
European Free Trade Association
Latin American Economic System
Organization of African Unity
Organization of the Islamic Conference

6. The following non-governmental organizations were represented at the session:

General category

International Confederation of Free Trade Unions
Junior Chamber International
Third World Network
World Confederation of Labour
World Federation of United Nations Associations
World Vision International

Part Two

REPORT OF THE TRADE AND DEVELOPMENT BOARD ON ITS SEVENTEENTH EXECUTIVE SESSION

Held at Geneva on 8 May 1998

I. DECISIONS ADOPTED BY THE TRADE AND DEVELOPMENT BOARD AT ITS SEVENTEENTH EXECUTIVE SESSION

The following decisions were adopted by the Trade and Development Board at its seventeenth executive session, held at Geneva on 8 May 1998:

Decision 449 (EX-17): UNCTAD's publications policy

The Trade and Development Board, taking int account the ongoing work in the secretariat to streamline UNCTAD's publications policy, the relevant reports and the establishment of a Publications Committee within the secretariat, agrees that:

1. The efforts undertaken by the secretariat in this respect are most welcome; the Board also takes note of the Working Party's satisfaction with the mechanisms put in place within the secretariat to ensure the systematic oversight and improvement of UNCTAD's publications activities;

2. Member States be encouraged to take an active part in a transparent review of UNCTAD's publications policy through consultations between the member States and the secretariat, so as to ensure that publications meet their needs and fulfil the priorities set for UNCTAD;

3. The Secretary-General of UNCTAD be invited to hold meetings with member States regarding UNCTAD's publications policy at an appropriate stage of the planning and review process, as follows:

(a) The Working Party will, at the start of each year, meet informally with UNCTAD's programme managers to discuss the specific list of publications planned for the year; at the same time, the Working Party will also consider a report of the Secretary-General on the implementation of UNCTAD's publications policy and will report to the Trade and Development Board; the two meetings will not exceed two days altogether;

(b) In the autumn of the first year of each biennium, the Secretary-General of UNCTAD will meet informally with the members of the Working Party to discuss a draft list of publications proposed for the next biennium;

(c) The Working Party will review the draft work programme early in the following year, including the draft list of proposed publications, after which the Secretary-General of UNCTAD will finalize his programme budget submission to the Secretary-General of the United Nations; the Working Party will review the proposed programme budget at the time it is submitted to the General Assembly and will report to the Trade and Development Board, which, in turn, will endorse the recommendations to be transmitted to the General Assembly's review bodies;

(d) The Working Party will also review the results of a survey of publications issued during the previous year, as well as any in-depth readership surveys of selected publications which will have been conducted; readership surveys should be conducted on an annual basis; in the light of recent experience, the secretariat should seek to improve the design, methodology and scope of readership surveys so that they fulfil their crucial role;

(e) All member States are encouraged to respond as fully as possible to readership surveys.

893rd plenary meeting
8 May 1998

Decision 450 (EX-17): Trust fund to enhance participation of developing countries' experts in UNCTAD meetings

The Trade and Development Board, having received a progress report under item 3 of its agenda on the trust fund to enhance the participation of developing countries' experts in UNCTAD meetings in accordance with the decision of the forty-fourth session of the Board, decides that:

(a) Informal consultations under the authority of the President of the Board shall be held on the operational modalities of the trust fund to enhance participation of developing countries' experts in UNCTAD meetings in accordance with paragraph 114 of the document entitled "A Partnership for Growth and Development",[1] with a view to enabling the Secretary-General of UNCTAD to modify the operational modalities of the trust fund to include, inter alia, two windows, one for earmarked and one for non-earmarked contributions;

(b) The President of the Trade and Development Board is requested to complete those informal consultations by 3 July 1998 so that the operational modalities can be endorsed by the Trade and Development Board at its eighteenth executive session, on 10 July 1998.

893rd plenary meeting
8 May 1998

II. REPORT OF THE WORKING PARTY ON THE MEDIUM-TERM PLAN AND THE PROGRAMME BUDGET: UNCTAD'S PUBLICATIONS POLICY; SAVINGS RESULTING FROM IMPROVED OVERALL COST-EFFECTIVENESS

1. The representative of Mexico, speaking in his capacity as the Chairman of the Working Party on the Medium-term Plan and the Programme Budget, informed the Board of the outcome of the deliberations of the Working Party on the question of savings resulting from improved overall cost-effectiveness achieved pursuant to the ninth session of the United Nations Conference on Trade and Development, as contained in document UNCTAD/ISS/Misc.121.* He also informed the Board that, in accordance with General Assembly decision 52/462 of 1 March 1998, he would communicate that outcome to the Secretary-General of the United Nations. He further presented for adoption by the Board a draft decision on UNCTAD's publications policy.

Action by the Board

2. In connection with the question of savings resulting from improved overall cost-effectiveness, the Board noted that the members of the Working Party had requested the President of the Board to undertake informal consultations on the establishment of guidelines and modalities, to be endorsed by the Board at its eighteenth executive session, on 10 July 1998, for the distribution of the relevant funds for the financing of experts. The informal consultations were to involve the Secretary-General of UNCTAD and were to be completed by 3 July 1998.

3. In connection with UNCTAD's publications policy, the Board adopted the draft decision presented to it by the Working Party. (See decision 449 (EX-17) in chapter I.)

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* For the report of the Working Party, see TD/B/45/5-TD/B/WP/107.

III. PROGRESS REPORT BY THE SECRETARY-GENERAL OF UNCTAD ON THE TRUST FUND TO ENHANCE PARTICIPATION OF DEVELOPING COUNTRIES' EXPERTS IN UNCTAD MEETINGS

1. The representative of the UNCTAD secretariat said that, following consultations of the Secretary-General of UNCTAD in December 1996, the trust fund to enhance participation of developing countries' experts in UNCTAD meetings had been established in April 1997. The aim had been to seek contributions to an amount of $680,000. In May 1997, the Secretary-General of UNCTAD had written to member States to request contributions to the fund. To date, $3,000 had been contributed, and since no decision to disburse funds had been made, the trust fund had an unencumbered balance of $3,000.

2. The President expressed appreciation to the Government of Iceland for having made the first contribution to the trust fund.

Action by the Board

3. The Board adopted a draft decision presented by the President. (See decision 450 (EX-17) in chapter I.)

IV. CLOSING STATEMENTS

1. The representative of Japan said that, with regard to the question of the reinvestment of savings, the regular budget should not be used to finance the participation of experts in UNCTAD meetings. Such participation should be financed through voluntary contributions.

2. The spokesperson for the African Group (South Africa) welcomed the outcome of the Working Party's deliberations. Many had thought that such an outcome would not be within reach, and it was a credit to all concerned that it had been possible to send clear recommendations to United Nations Headquarters, in New York.

3. The representative of Brazil expressed satisfaction with the outcome of the Working Party's deliberations. The financing of experts was an important priority for the Latin American and Caribbean Group, and the agreement reached in the Working Party was a step forward. Of course, further discussions were required, and she counted on the goodwill of all in order to make it possible to agree as expeditiously as possible on guidelines and modalities for the disbursement of funds.

4. The representative of Switzerland said that his delegation was pleased with the results achieved by the Working Party. It fully supported UNCTAD's publications policy, and it hoped that the dialogue provided for in the Board's decision would enhance the participation of member States in the evaluation of UNCTAD publications. With regard to agenda item 3, his delegation welcomed the progress achieved in connection with the trust fund. It was hoped that the Board's decision would help make the trust fund operational, in implementation of paragraph 114 of the document entitled "A Partnership for Growth and Development".[1] With goodwill, the remaining problems could be settled.

5. The representative of the United Kingdom, speaking on behalf of the European Union, noted that the outcome of the Working Party's session was satisfactory to all its members.

6. The representative of China said the fact that UNCTAD had savings to discuss was an excellent thing. The outcome of the Working Party's work was positive, and although the principles and modalities for the financing of experts still had to be defined, satisfactory arrangements would be found if all parties demonstrated flexibility.

7. The representative of Bangladesh said his delegation welcomed the fact that, in the Working Party, consensus had been reached on all issues. It particularly welcomed the fact that the concerns of developing countries and least developed countries had been adequately reflected in the Working Party's conclusions.

8. The representative of Norway said that, in the Working Party, hard work and a willingness to compromise had led to an acceptable result. His delegation particularly welcomed the emphasis that the Working Party had agreed to give to least developed countries and to certain investment issues. It also welcomed the outcome on publications. With regard to agenda item 3, on the trust fund, it was hoped that the consultations to be held would result in the fund becoming fully operational.

9. The spokesperson for the Latin American and Caribbean Group (Venezuela) welcomed the results achieved by the Working Party. The compromise text reflected the will of member States to revitalize UNCTAD. The work of the Working Party had been particularly difficult because of the sensitivities involved, but all parties to the discussions had acted in good faith and had demonstrated that agreement was always possible if the will was there. The Latin American and Caribbean Group looked forward to participating in the discussions on funding modalities in a climate of trust, transparency and compromise.

10. The representative of the United States said that her country had changed its long-standing position against the funding of experts because of its strong commitment to helping African least developed countries. With regard to the methods of work of the Working Party, consultations should be held on how to make improvements; she noted, for example, that observers tended to dominate the proceedings at the expense of members which did not make much sense. Documentation for the Working Party sessions should be prepared in consultation with member States to ensure that the latter were not faced with a fait accompli.

11. The representative of Kenya welcomed the results of the Working Party's deliberations and expressed thanks for the goodwill shown by all to least developed countries and African countries.

12. The representative of Uruguay said that the Working Party was a vital element in efforts to increase the transparency of UNCTAD's budgetary procedures and technical cooperation programmes. With regard to the financing of experts, a significant first step had been taken towards ensuring the effective participation of developing country experts in UNCTAD meetings, which was an important priority for his Group.

V. INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

A. Opening of the session

1. The seventeenth executive session of the Trade and Development Board was opened on 8 May 1998 by Mr. Goce Petreski (The former Yugoslav Republic of Macedonia), President of the Board.

B. Bureau of the seventeenth executive session

2. There being no change in the elected officers of the Bureau since the forty-fourth session, the Bureau of the Board at its seventeenth executive session was as follows:

President: Mr. Goce Petreski (The former Yugoslav Republic of Macedonia)

Vice-Presidents: Mrs. Anne Anderson (Ireland)
Mr. Michael Ray Arietti (United States of America)
Mr. Dhurmahdass Baichoo (Mauritius)
Mr. Nacer Benjelloun-Touimi (Morocco)
Mrs. Eveline Herfkens (Netherlands)
Mr. Anthony Hill (Jamaica)
Mr. Gilberto Saboia (Brazil)
Mr. Vasily Sidorov (Russian Federation)
Mr. Bjørn Skogmo (Norway)
Mr. Bozorgmehr Ziaran (Islamic Republic of Iran)

Rapporteur: Mr. Sek Wannamethee (Thailand)

C. Adoption of the agenda

3. At its 893rd meeting, on 8 May 1998, the Board adopted the provisional agenda for its seventeenth executive session (TD/B/EX(17)/1) (see annex I).

D. Review of the calendar of meetings

4. The Board took note of the revised calendar of meetings as contained in document TD/B/44/INF.2/Rev.2.

5. The representative of the UNCTAD secretariat informed the Board that the secretariat would request an increase in the allotment of meeting units in order to cater for the increase in the number of informal meetings requested by the Board, as well as for the decision on publications policy as it affected the number of informal meetings in 1999.

E. Administrative and financial implications of the actions of the Board

6. The Board was informed that there were no additional financial implications resulting from its action at its seventeenth session.

F. Other business

7. The Board approved the draft provisional agenda for its eighteenth executive session (see annex II).

8. The President reminded the Board that he would be conducting consultations, in the coming weeks on the topic of the high-level segment of the forty-fifth regular session of the Board.

G. Report of the Board on its seventeenth executive session

9. The Board authorized the Rapporteur to complete the report on its seventeenth executive session under the authority of the President. It requested the secretariat to circulate a synoptic report of the proceedings as soon as possible; the synoptic report would serve as the Board's report to the General Assembly.

Notes

[1] See Proceedings of the United Nations Conference on Trade and Development, Ninth Session, Midrand, South Africa, 27 April-11 May 1996, Report and Annexes (United Nations publication, Sales No. E.97.II.D.4), part one, sect. A.

ANNEX I

Agenda of the seventeenth executive session of the Board

1. Adoption of the agenda

2. Report of the Working Party on the Medium-term Plan and the Programme Budget on its thirty-first session: Board decision 447 (EX-16), on UNCTAD's publications policy; and Board decision 448 (EX-16), on savings resulting from improved overall cost-effectiveness

3. Progress report by the Secretary-General of UNCTAD on the trust fund to enhance participation of developing countries' experts in UNCTAD meetings in accordance with the decision of the forty-fourth session of the Trade and Development Board

4. Institutional, organizational, administrative and related matters:

   (a) Review of the calendar of meetings;

   (b) Administrative and financial implications of the actions of the Board

5. Other business

6. Adoption of the report of the Board.

ANNEX II

Provisional agenda for the eighteenth executive session of the Board

1. Adoption of the agenda

2. Election of officers

3. Mid-term review

4. UNCTAD's contribution to the United Nations New Agenda for the Development of Africa in the 1990s: UNCTAD's activities in favour of Africa (agreed conclusions 443 (XLIV))

5. Institutional, organizational, administrative and related matters:

   (a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board;

   (b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board;

   (c) Designation of the President and Bureau of the forty-fifth session of the Trade and Development Board

6. Report by the President of the Trade and Development Board on his informal consultations on:

   (a) Guidelines and modalities for funds from savings resulting from improved overall cost-effectiveness for financing of experts;

   (b) Operational modalities of the trust fund to enhance participation of developing countries' experts in UNCTAD meetings

7. Other business

8. Report of the Board on its eighteenth executive session.

ANNEX III

Membership and attendance*

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Angola
Australia
Austria
Bangladesh
Belgium
Bhutan
Brazil
Bulgaria
China
Costa Rica
Cuba
Czech Republic
Democratic Republic of the Congo
Ecuador
El Salvador
Ethiopia
France
Gabon
Georgia
Germany
Iceland
Indonesia
Iran (Islamic Republic of)
Ireland
Italy
Jamaica
Japan
Jordan
Kenya
Lebanon
Libyan Arab Jamahiriya
Madagascar
Malta
Mauritania
Mauritius
Mexico
Morocco
Myanmar
Netherlands
Norway
Pakistan
Panama
Paraguay
Philippines
Portugal
Republic of Korea
Russian Federation
South Africa
Spain
Sudan
Sweden
Switzerland
Thailand
The former Yugoslav Republic of Macedonia
Trinidad and Tobago
Tunisia
Turkey
Uganda
United Kingdom of Great Britain and Northern Ireland
United States of America
Uruguay
Venezuela
Yemen

2. The following States members of UNCTAD, not members of the Board, were represented as observers at the session:

Rwanda
Holy See

3. The following intergovernmental organizations were represented at the session:

European Community
Organization of African Unity

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* For the list of participants, see TD/B/EX(17)/INF.1.

4. The following specialized agencies were represented at the session:

Food and Agriculture Organization of the United Nations
United Nations Industrial Development Organization

5. The Economic Commission for Europe was represented at the session. The International Trade Centre UNCTAD/WTO was also represented at the session.

6. The following non-governmental organization was represented at the session:

General Category

World Federation of United Nations Associations

Part Three

REPORT OF THE TRADE AND DEVELOPMENT BOARD ON ITS EIGHTEENTH EXECUTIVE SESSION

Held at Geneva on 10 July 1998

I. OUTCOME OF THE MID-TERM REVIEW*

The following text was adopted by the Trade and Development Board at its eighteenth executive session, held at Geneva on 10 July 1998.

Introduction

1. The reform project embodied in the Midrand outcome was a turning point in the history of UNCTAD. The ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa, in 1996, decreed the streamlining of the intergovernmental machinery of UNCTAD, of its work programme and of the structure of the secretariat. It also decided to improve UNCTAD's working methods and, most importantly, to adopt a different approach to the work, one based on dialogue and consensus-building and on practical objectives.

2. Those goals have in effect been the guiding force of the organization since the ninth session of the Conference. A genuine effort has been made, by both member States and the secretariat, to attain them, and to a significant extend they have succeeded. But that major reform effort has, inevitably, encountered some difficulties, such as skill mismatches, compounded by the financial crisis of the United Nations. In the context of the mandates agreed upon at Midrand and subsequently endorsed by the General Assembly, which are not to be reopened, the Mid-term Review takes stock of the road already travelled, including its obstacles and pitfalls; considers what is yet to be done in the coming two years to fulfil those mandates; and makes recommendations on how to strengthen implementation.

3. The decisive test in the period up to the tenth session of the United Nations Conference on Trade and Development will be how well UNCTAD matches its description as the focal point within the United Nations system for the integrated treatment of development and interrelated issues in the areas of trade, finance, technology, investment and sustainable development. UNCTAD is also the focal point in the United Nations system for least developed countries and another test will be how effectively it delivers assistance to those countries. The key will be "integration": of programme elements - for example, foreign direct investment should be seen not in isolation but as a way of, inter alia, building supply networks of small and medium-sized enterprises, strengthening the enterprise sector in recipient countries, bringing innovation and improving export competitiveness; among UNCTAD's Divisions and Branches in coping with cross-sectoral issues and between the secretariat and member States; and among relevant economic multilateral institutions and regional commissions in terms of the common or complementary points in their work programmes and in the implementation of integrated country programmes.

4. Capacity-building is the expression that better defines this approach - capacity to implement the appropriate policies at the country level but also the capacity to formulate and apply negotiating positions on trade, investment and the other central issues that shape the globalization process and that will consequently affect the external economic environment for development.

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* For the action by the Board and statements made on the Mid-term Review, see chapter II.

Stocktaking

5. UNCTAD's work since the ninth session of the United Nations Conference on Trade and Development, both in the secretariat and at the intergovernmental level, has generally proceeded along the lines mandated by the Conference. Intergovernmental consensus-building, policy research and analysis, and technical cooperation have on the whole addressed the goal of assisting developing countries and economies in transition to promote their development and participate more effectively in the world economy under conditions conducive to their development.

6. Valuable analysis for policy-making has been provided, in particular, by work on interdependence and global economic issues; on development challenges facing least developed countries and African countries; on foreign direct investment issues; on a positive agenda for developing countries in trade negotiations and the opportunities available in trade in services; on commodity diversification and risk management; and on electronic commerce. In this connection, the importance and usefulness of UNCTAD's flagship reports, namely the Trade and Development Report, the World Investment Report and the Least Developed Countries Report, has been recognized.

7. Applied work has been particularly valuable in the fields of debt management; investment promotion; capacity-building for entrepreneurship; accession to the World Trade Organization; capacity-building in the field of trade; commodity risk management; modernization of customs, cargo tracking and trade facilitation; transport and transit arrangements; and the setting-up of integrated country programmes for least developed countries. Intensive work has been undertaken as far as accounting and reporting standards, and competition law and policy are concerned. The functioning of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting and the Intergovernmental Group of Experts on Competition Law and Policy is to be reviewed.

8. Databases in the field of trade in goods and services - the Trade Analysis and Information System (TRAINS) and Measures Affecting Service Trade (MAST) - have been further developed and refined as analytical tools.

9. In the field of institutional reform, the Board adopted guidelines on the efficiency and functioning of the UNCTAD intergovernmental machinery which, inter alia, stress the importance of integrating the outcomes of expert meetings into the policy work of the Commissions.

10. Work has taken place within the framework of a participatory approach that emphasized the need for UNCTAD to incorporate civil society into its work, to liaise closely with other international organizations and to integrate research and policy analysis and technical cooperation work.

11. However, several organizational factors have been identified in connection with which further efforts are necessary to strengthen the role and impact of the organization. Given the growing gap between the level of requirements and the level of resources available and their quality - skills and expertise of staff - there is a need for a more flexible allocation of resources and a better matching between skills and priority areas. The problem is exacerbated by systemic rigidities and in particular the slow pace at which vacancies are filled.

12. The linkages between analytical and technical cooperation activities have not been fully developed. Cross-sectoral issues have not benefited from sufficiently integrated treatment within the intergovernmental machinery, nor have they been dealt with as effectively as possible within the secretariat, and that situation has particularly affected the treatment of issues related to least developed countries. The impact of the activities and work of UNCTAD needs to be better measured.

13. The recruitment difficulties faced by UNCTAD in the last two years have especially affected the Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries. The Office has suffered from the delay in appointing a Special Coordinator and in filling the other vacant posts, and that has negatively affected the direction of UNCTAD's work on least developed countries. High-quality appointments need to be made as a matter of urgency.

14. The Secretary-General of the United Nations has endorsed the agreement reached regarding the division of labour between UNCTAD and the Department of Economic and Social Affairs of the United Nations Secretariat on strengthening United Nations work in macroeconomic analysis. UNCTAD's present capacity to carry out analysis of international macroeconomic issues, particularly the impact of globalization and liberalization on trade and development, may therefore not be fully adequate in that new context.

15. While UNCTAD's work on Africa has increased in recent years and the Board's discussions of both substantive issues affecting Africa and UNCTAD activities in the context of the United Nations New Agenda for the Development of Africa in the 1990s and the United Nations System-wide Special Initiative on Africa have generally proved satisfactory, further improvements could still be made. Support in terms of analytical inputs and human resources is still not sufficient, and internal coordination could be improved.

16. In work on globalization and development strategies, there is scope for improving the balance in the activities undertaken, since not all regions have been fully covered from year to year, and dissemination of analytical outputs needs to be improved; not enough has been done on how developing countries could pace and sequence liberalization. Funding of activities on debt management has not been secure enough, and activities relating to assistance to the Palestinian people now need to aim at having a direct beneficial economic impact. In work on investment, technology and enterprise development, priorities and targets could be defined more clearly. In work on trade, there has not been a clear enough division of labour between subprogrammes in respect of electronic commerce and commercial diplomacy. In work on services infrastructure for development and trade efficiency, there is a need for greater emphasis on creating a better understanding of the economic impact of electronic commerce and its emerging global framework. In work on least developed, landlocked and island developing countries, not enough emphasis has been placed on the follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, and participation of least developed countries in UNCTAD meetings has been inadequate.

Recommendations

General

17. The unique contribution of UNCTAD has to be made through its analytical function and by linking research and action, analysis and policies. UNCTAD's programmes should be evaluated with this linkage in mind. Links should be reflected both in the consensus-building process in the intergovernmental machinery and in UNCTAD's operational activities and through enhanced partnerships with civil society. Feedback from member States through adequate monitoring of implementation will be indispensable.

18. The partnerships for development envisaged by the Midrand Declaration[1] should be the hallmark of UNCTAD. Those partnerships will require further changes in the way business in conducted. UNCTAD should strengthen its links with civil society, in particular the private sector, and international organizations. Links with the private sector should be aimed at tapping its innovative capacity, engaging in joint activities and supplementing funding, and in this connection clear guidelines should be adopted for private-sector funding. Links with other international organizations, including regional commissions, which represent an equally valuable source of ideas, should be aimed at increasing synergies and avoiding duplication. Constructive ideas must be developed on how to improve the dissemination of policy advice, including through modern electronic means, to make sure it reaches the end-users in a user-friendly form (best practices, handbooks, model laws and/or contracts).

19. While recognizing the need to adjust priorities in the light of changes in the world economy, the scope and content of the work programme of the secretariat should be commensurate with approved mandates, taking resource constraints into account.

20. Work on cross-sectoral issues must be better integrated into the work of the intergovernmental machinery, and the Board should in particular ensure that the cross-sectoral issues referred to in paragraph 106 of the document entitled "A Partnership for Growth and Development", adopted at the ninth session of the United Nations Conference on Trade and Development,[1] are integrated into the work of the Commissions.

21. UNCTAD's analytical and technical cooperation activities should be better coordinated, and the secretariat should put in place appropriate mechanisms for that purpose. The strategy for the coherence of regular budget and extrabudgetary programmes that seeks to strengthen those linkages should be further pursued and should be linked to the outcomes of expert meetings, the Commissions, the Working Party on the Medium-term Plan and the Programme Budget, and the Trade and Development Board.

22. UNCTAD's management should deploy every effort to proceed speedily with recruitment and appointments so as to reduce the current excessive vacancy rate. It should also seek to reduce costs within the framework of system-wide efforts to improve efficiency. Staff training should be stepped up with a view to addressing skill mismatches and creating a flexible workforce able to adjust to changing requirements.

23. Taking into account current discussions in the United Nations system on results-based budgeting and performance indicators, the UNCTAD secretariat should integrate further in its work the use of performance indicators. In accordance with commonly accepted national and international criteria, those

indicators should be relevant, simple and measurable, and due account should be taken of the difficulties involved in measuring the impact of analytical work.

24. Focusing on results rather than inputs, the secretariat should examine and propose to the Board ideas for suitable feedback mechanisms to measure the impact of UNCTAD's activities. Those proposals should be made available to the Board as soon as possible, and the Working Party should be involved at a later stage.

25. Cost recovery should be examined for certain technical cooperation programmes involving updating, maintenance and continuing servicing, account being taken of the situation of the least developed countries and low-income countries.

Specific

26. As UNCTAD is the focal point within the United Nations system for assistance to least developed, landlocked and island developing countries, the work of the Office of the Special Coordinator should be strengthened. That could be achieved in part by filling current vacant posts as a matter of urgency. It is important that the Office coordinate the sectoral work, monitor the implementation of the Paris Programme of Action and initiate the preparatory process for the Third United Nations Conference on the Least Developed Countries in close consultation and collaboration with the relevant agencies and institutions and civil society. Issues concerning least developed countries should be fully integrated into the work of the intergovernmental machinery at all levels. The lack of effective participation of least developed countries in UNCTAD meetings should be addressed by the Board.

27. In view of its great importance to least developed countries, it is essential that decision 445 (EX-16) of the Trade and Development Board, on the follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development,* be implemented in full. Ownership of beneficiary countries should be assured. Least developed countries should be assisted in preparations for, and follow-up to, country-specific round tables. Cooperation, coordination and coherence of all the cooperating agencies' efforts remain the hallmark for achieving success.

28. Greater emphasis should be placed on cooperation with other agencies in the implementation of the Programme of Action adopted by the Global Conference on the Sustainable Development of Small Island Developing States, held at Bridgetown, Barbados, in 1994. Work relating to development problems specific to landlocked and transit countries should be strengthened and should proceed in consultation with all parties concerned.

29. Close cooperation and coordination must play a primordial role if the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Least Developed and Other African Countries, which, for the least developed countries involved, represents a concrete step in implementing the integrated framework stemming from the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, is to meet its objectives. The secretariat coordination and focal-point mechanism for activities relating to Africa should be strengthened.

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* See part one, chapter I, of the present report.

30. Work on globalization and development strategies should have broader regional coverage, dissemination should be improved and more should be done on the pace and sequencing of domestic liberalization policies.

31. In debt management, more work should be done on the training of national staff and on domestic debt management. Work on debt problems of indebted countries, taking account of the results of debt negotiations in various forums, including private sector forums, should be pursued within UNCTAD's mandate.

32. UNCTAD should analyse the impact of European economic and monetary union and the euro on developing countries, taking into account global analysis carried out in the relevant international organizations. Work on portfolio investment might best be carried out under the programme on investment, and advantage should be taken, to the greatest possible extent, of work being done by regional development banks and United Nations regional institutions.

33. In the programme on assistance to the Palestinian people, inter-agency coordination should be improved and a greater field presence should be considered.

34. UNCTAD's work in identifying and analysing the implications for development of issues relevant to a possible multilateral framework for investment addresses a prominent issue on the international agenda. UNCTAD should continue this timely work, which should be primarily analytical and include consideration of development-friendly elements. It should also pursue work to assist developing countries to strengthen their capacity to promote their trade and development through foreign investment. Further research should be undertaken into the factors that play a part in the choice of investment locations by private-sector firms. UNCTAD should continue its analysis of the current development of transnational corporations and help developing countries to improve the general understanding of issues related to transnational corporations and their contribution to development, as well as on policies allowing developing countries to benefit from operations of transnational corporations. More attention should be paid to promoting investment among developing countries. The integrated approach to investment and technology through science, technology and innovation policy reviews and investment policy reviews should be further pursued. Country-specific approaches to supporting national institutions and capacity-building should be preferred. Action should be taken to promote the continued expansion of the Entrepreneurship Development (EMPRETEC) Programme, endeavouring to promote a regional balance.

35. In work on trade, further emphasis should be placed on capacity-building. Secretariat efforts to assist developing countries and economies in transition to participate effective in international trade negotiations and in acceding to the World Trade Organization (WTO) should continue, including through the elaboration of a positive agenda, on which member States should be kept informed, and should receive appropriate funding from regular budget and extrabudgetary sources. Analytical work on the impact of trade preferences on the trade and development of developing countries should be strengthened, with special reference to identifying policy solutions in response to the decline in preferential margins and maximizing the utilization of preference schemes. In particular, it should identify ways to improve market access for developing country exports, including in new areas. The implementation of the special and differential provisions in favour of developing countries provided by the Uruguay Round agreements should be analysed, bearing in mind the work being done in this area by WTO. Training in commercial diplomacy must be so designed as to ensure that UNCTAD's role is directed towards strengthening the analytical

capacity of developing country officials in international negotiations. Work on commercial diplomacy courses should have a clear strategy and be sufficiently funded, and it should be developed in conjunction with the Training Development in the field of Foreign Trade (TRAINFORTRADE) programme. The role of different subprogrammes in respect of commercial diplomacy and electronic commerce should be clarified. As a contribution to the discussion of issues on the international trade agenda, UNCTAD should continue to pursue its activities in the field of competition law and policy; trade, environment and development; and services, including the use of the Measures Affecting Service Trade (MAST) database. Given the continuing dependence of a number of developing countries on primary commodities, work on diversification and risk management should be strengthened.

36. The sustainability of the Trade Point Programme and trade points should be enhanced, particularly in respect of training, operability and interoperability, as may be recognized at the forthcoming evaluation of the programme. The concept of support services for the Automated System for Customs Data (ASYCUDA) should be developed, and measures to ensure its overall sustainability, as well as that of all other trade facilitation programmes, should be explored. The future activities of TRAINFORTRADE should be spelt out more clearly, taking into account the recommendations adopted by the Working Party on the Medium-term Plan and the Programme Budget following the evaluation of the programme and lessons learnt from the regional pilot projects. The "Partners for Development" meeting, scheduled to be held at Lyon, France, from 9 to 12 November 1998, should be integrated into the work of UNCTAD through follow-up to private-sector/UNCTAD activities launched at the meeting. The analysis of global electronic commerce in terms of its impact on development should be an area of focus. In cooperation with relevant organizations, in particular the World Trade Organization, the International Telecommunication Union, the World Intellectual Property Organization and the United Nations Commission on International Trade Law, assistance should be provided to developing countries to prepare for possible multilateral discussions on electronic commerce.

37. The secretariat should produce an annual report on UNCTAD's activities in order to achieve greater transparency, to provide member States with a comprehensive overview and to permit a better assessment of UNCTAD's work and achievements. The Secretary-General of UNCTAD may wish to take into account any views conveyed by member States as to the basic content of the report.

38. Expanded use of all aspects of information technology in UNCTAD's work should be sought. To that end, each Division should develop a plan to integrate information technology fully into its work.

894th plenary meeting
10 July 1998

II. THE MID-TERM REVIEW

1. The President recalled that the Midrand Declaration, adopted at the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa, in 1996, stated that "to build on the political commitment of member States to the process initiated at this Conference and ensure its implementation, the President of UNCTAD IX should consider convening a special high-level review meeting two years prior to UNCTAD X".[1] In addition, in its resolution 52/182 of 18 December 1997, the General Assembly stated that it "also reaffirms its political will and responsibility with respect to implementing the agreed commitments reached at the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa, in particular the document entitled 'A Partnership for Growth and Development', and, in this regard, welcomes the convening of a special high-level mid-term review meeting in 1998, which will contribute to the preparations for the tenth session of the Conference, to be held in Thailand in 2000". The Mid-term Review process had been launched at the sixteenth executive session of the Board, and the Vice-President of the Board, Ambassador Benjelloun-Touimi of Morocco, had been mandated to conduct the formal and informal work of the Review (see part one, chapter IV, of the present report).

2. The representative of Morocco, speaking in his capacity as Vice-President of the Board and Chairman of the Mid-term Review process, said that nine informal meetings had been held prior to the beginning of the formal process on 24 June 1998. The Review had been aided by documentation from the secretariat, and the process had been characterized by full transparency and frank and constructive discussions on all relevant issues of substance. The formal preparatory process had then followed, and in accordance with the new guidelines on the functioning of the intergovernmental machinery, summaries of the informal discussions on each subprogramme and the cross-cutting issues had been made available to delegations. The formal preparatory process had been concluded with the unanimous approval of the Chairman's draft (TD/B/EX(18)/L.2 and Corr.1); that outcome represented the consensus of delegations participating in the exercise.

Action by the Board

3. At its 894th plenary meeting, on 10 July 1998, the Board approved and adopted the outcome of the Mid-term Review (see chapter I). In so doing, it requested member States, the UNCTAD secretariat and relevant organizations to fully implement the recommendations therein, and it requested the Secretary-General of UNCTAD to proceed immediately with the implementation of those recommendations, to provide regular progress reports at the monthly consultations and to transmit the outcome to the High-level Mid-term Review meeting at the Board's forty-fifth session.

Statements

4. The representative of Japan said that the outcome of the Mid-term Review was generally acceptable to his delegation. When implementing the recommendations contained in the outcome, the secretariat must ensure maximum transparency by consulting member States well in advance. Given the limited resources available to both the secretariat and member States, certain priorities should be established for the implementation of the recommendations. Particular importance should be attached to the follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade

Development, identifying ways of improving market access for developing country exports, especially those of least developed countries, and assisting developing countries' capacity-building, particularly in terms of acceding to the World Trade Organization. Secretariat efforts in that area should be strengthened, not merely continued. Finally, it was stressed in the outcome of the Mid-term Review (ibid., para. 34) that UNCTAD's work on investment and in particular on a possible multilateral framework should be primarily analytical, and that was indeed where UNCTAD's advantage lay.

5. The representative of India said that the outcome of the Mid-term Review, though not a negotiated document, had been given consensual endorsement; it should be seen as a catalyst for the implementation of the Midrand mandate, and it could not replace anything in that mandate. More time and resources had been spent in the Mid-term Review on deciding how to improve UNCTAD's work than on the work itself. For example, there had been little in the way of policy dialogue at a time when tumultuous events affecting trade and development were taking place all over the world. Normal work should therefore resume, and much remained to be done. His delegation endorsed the outcome of the Mid-term Review in order to move on as quickly as possible.

6. The representative of Switzerland said that much more had been achieved by the Mid-term Review than many had thought possible. His country's aim in participating in the Review had not been to cast doubt on the reforms decided on at Midrand but to contribute to their full implementation. It had emerged clearly from the Mid-term Review that the secretariat would not have the necessary resources, including the skills, to implement the Midrand mandates in full, and some priorities would therefore have to be set. The efforts of the Secretary-General of UNCTAD in tackling the operational problems of the secretariat were to be encouraged. In proposing the idea of an annual report, his country had sought to contribute to the transparency and coherence of UNCTAD's work. Finally, the outcome of the Mid-term Review should contribute to the preparations for the tenth session of the United Nations Conference on Trade and Development.

7. The representative of Canada endorsed the outcome of the Mid-term Review. Capacity-building should be at the forefront of UNCTAD's objectives, and in that connection, where the Mid-term Review outcome stated (ibid., para. 17) that the unique contribution of UNCTAD had to be made through its analytical function and by linking research and action, analysis and policies, it meant that analysis should support capacity-building and technical cooperation. The guidelines on the efficiency and functioning of the intergovernmental machinery adopted by the Board at its sixteenth executive session represented a real achievement, and his country looked forward to their complete implementation.

8. In order to maximize the use of UNCTAD's resources, priorities should be set; the emphasis placed on least developed, landlocked and island developing countries in the outcome of the Mid-term Review (ibid., para. 26) was welcome. Mainstreaming the interests of least developed countries throughout UNCTAD's work should be a priority. To that end, the follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development was important, and the procedures defined in the Integrated Framework for Trade-related Technical Assistance should be fully enshrined in UNCTAD's programmes.

9. The representative of the Russian Federation said that his delegation agreed that UNCTAD activities had been carried out within the framework of the decisions taken at Midrand and had been directed towards helping developing countries and economies in transition integrate into the world economy.

UNCTAD's work in the next two years would be evaluated on the basis of the extent to which it succeeded in its role as focal point within the United Nations system for the integrated treatment of development and interrelated issues in the areas of trade, finance, technology, investment and sustainable development.

10. His delegation agreed with the analysis contained in the outcome of the Mid-term Review. It supported UNCTAD's practical work in such areas as investment promotion, enterprise development, trade in services, accession to the World Trade Organization, competition law and policy, and accounting and reporting standards. It also appreciated UNCTAD's three flagship publications. At the same time, more had to be done to involve the private sector and civil society in UNCTAD's work, to improve coordination with other international organizations and to enhance the links between analytical work and technical cooperation. The gap between demands and available resources was a matter for concern.

11. His delegation fully endorsed the recommendations concerning coverage of all regions in work on globalization and liberalization, the involvement of civil society in specific projects, analysis of a possible multilateral framework for investment, the use of performance indicators, growing reliance on a results-based approach, and the importance of consulting all concerned in work relating to landlocked and transit countries. It also supported the proposal to produce an annual report, provided the latter did not merely duplicate the report of the Secretary-General of UNCTAD to the Board.

12. The representative of Uganda said that the overall framework for assisting landlocked countries should be strengthened, and it was hoped that the importance of the landlocked programme would not be diminished, despite the downgrading of the relevant post in the programme budget. His delegation also attached great importance to work on least developed countries and would have liked stronger language in the Mid-term Review outcome (ibid., para. 27). It was hoped that the language agreed on would not detract from work on least developed countries. It was disappointing to see that a Special Coordinator for Least Developed, Landlocked and Island Developing Countries had still not been appointed two years after Midrand, and it was hard to believe that it had not been possible to fill the post; the question of gender sensitivity should not be allowed to block the process, and the secretariat should inform delegations of what was being done to remedy the situation. UNCTAD had a special role to play in the follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development. It should deal adequately with the new issues to be negotiated in the multilateral trading system, and it should serve as a think tank for developing countries.

13. The spokesperson for the Asian Group and China (Bangladesh) said that his Group welcomed the outcome of the Mid-term Review, which reflected the commitment of all groups. It agreed with the recommendations embodied in the outcome and assumed that all parties would make their best efforts to assist in their implementation. The priority accorded to least developed countries was welcome, and the critical importance of UNCTAD activities relating to least developed countries was to be underlined. The delay in recruiting the Special Coordinator was a matter of concern.

14. The spokesperson for the African Group (Mauritius) said that, now that the Mid-term Review had come to a successful conclusion, a great deal of work remained to be done, and it would be important to see that work proceed in a timely and positive way. His Group had high expectations in respect of

capacity-building and the removal of supply-side constraints, and it agreed on the importance of improving market access, the follow-up to the High-level Meeting on Integrated Initiatives for least Developed Countries' Trade Development, and work on landlocked and island developing countries. It must be said that the African Group had been disappointed in a number of areas, but it still hoped for a brighter future for Africa and for the translation of the work programme into concrete action.

15. The representative of Ethiopia said that the Mid-term Review had culminated in a text with concrete, action-oriented and forward-looking recommendations. His delegation hoped that those recommendations would be implemented fully and expeditiously, in parallel with the mandates contained in the document entitled "A Partnership for Growth and Development", adopted by the ninth session of the United Nations Conference on Trade and Development,[1] as supplemented by subsequent General Assembly resolutions. His delegation was encouraged to note a high level of convergence on issues related to least developed countries, particularly regarding the lack of integration of those issues into the policy and analytical work of UNCTAD. As the focal point in the United Nations system for programmes and activities related to least developed countries, UNCTAD should give utmost priority to translating the recommendations on those countries into concrete actions as urgently as possible. The development partners of the least developed countries should also step up their efforts to support the implementation of programmes initiated in those countries by UNCTAD.

16. The representative of Thailand said that the second report of the Secretary-General of the United Nations on reform[2] had recognized the core competencies of UNCTAD in macroeconomic policy analysis in the context of interdependence and in support of the interrelated issues of trade and development, and the Secretary-General of the United Nations had endorsed the agreement reached between UNCTAD and the Department of Economic and Social Affairs of the Secretariat on strengthening United Nations work in macroeconomic analysis. However, paragraph 14 of the Mid-term Review outcome (see chapter I) raised a concern that UNCTAD's present capacity may "not be fully adequate" to carry out the analytical work transferred from the Department of Economic and Social Affairs. It was the understanding of his delegation that ways and means would be sought to strengthen UNCTAD's capacity in conducting its analytical work on international macroeconomic issues.

17. His delegation also attached importance to UNCTAD's work on accounting and reporting, as well as on competition law and policy. The analysis provided by UNCTAD in those areas of work had so far proven to be beneficial and valuable. UNCTAD was therefore encouraged to continue its intensive work on those two issues.

18. The spokesperson for the Latin American and Caribbean Group (Uruguay) said that the outcome of the Mid-term Review was balanced, and his Group would do its best to implement the recommendations. The Mid-term Review had proved useful and had produced good guidelines for UNCTAD's work, but it had taken too long and had been a source of frustration, particularly when previous decisions had been called into question. Useful lessons could be drawn for future such exercises. He noted that a number of unfair criticisms had been voiced against the secretariat, particularly in terms of its impartiality and transparency. Support for and trust in the secretariat were essential ingredients if member States wanted it to perform its duties efficiently.

19. Some countries had tried to reorient UNCTAD's work in such a way as to have it concentrate exclusively on least developed countries. His Group had always

supported work on least developed countries, but a certain balance must be maintained; UNCTAD must promote development for all developing countries, and work on least developed countries should not be to the detriment of work involving other developing countries.

20. UNCTAD's capacity for global analysis must be maintained, and its technical assistance capacity vis-à-vis all countries must be increased. In particular, the Entrepreneurship Development (EMPRETEC) programme should be expanded. His Group would continue to try to make UNCTAD a useful instrument for all Governments in achieving a more equitable global economy.

21. The representative of Austria, speaking on behalf of the European Union, said that, with the successful conclusion of the Mid-term Review, resources could now be freed for less introspective work. The Mid-term Review had been difficult, since the objectives and methods had been vague at the outset, but the outcome anticipated what lay ahead in the coming two years, and the European Union wanted to see the recommendations put into effect immediately. There was little risk that UNCTAD would devote too great a share of its resources to activities related to least developed countries, and the follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development should figure prominently in UNCTAD's future work. He was confident that adequate staff resources could be found to carry out the work.

22. The least developed countries, investment issues, the upcoming negotiations in WTO, and trade efficiency were the areas that the European Union wanted to concentrate on in the period leading up to the tenth session of the United Nations Conference on Trade and Development. The European Union remained confident that the question of UNCTAD's priorities and the agenda for the coming period could be settled in a manner satisfactory to all.

23. The representative of the United States said that the most important conclusion of the Mid-term Review was the emphasis placed on the fact that the unique contribution of UNCTAD had to be made through its analytical function and by linking research and action, analysis and policies. That goal had not yet been achieved by the secretariat. Her delegation had stressed the needs of African and least developed countries because it felt that those needs had not yet been adequately addressed. The most important task in the next two years would consist in getting the right staff in place; her delegation looked forward to the Secretary-General's report on staff matters at the coming consultations.

24. The representative of the Republic of Korea said that his delegation attached particular importance to institutional reform and the restructuring of the secretariat in furtherance of the mandate established at Midrand. It was hoped that the recommendation concerning the publication of an annual report would encourage the secretariat to work in a more transparent and consistent manner.

25. The representative of Turkey said that her delegation endorsed the outcome of the Mid-term Review. Timely and transparent implementation would be important. Setting priorities would be easier if delegations were kept better informed, and it would be important to set concrete targets for implementation. Her delegation supported work on least developed countries; that work should be better integrated into UNCTAD's work in general and programme evaluation.

26. The representative of China said that the Mid-term Review had been a success. It had produced positive and objective conclusions and a number of feasible ideas for UNCTAD's future work. It had been agreed that work on least

developed and landlocked countries should be a priority for UNCTAD. China also attached great importance to cooperation with those countries at the bilateral level. Emphasis had been placed on capacity-building for effective participation in multilateral trade negotiations; that would help promote cooperation between UNCTAD and WTO. UNCTAD must also play a greater role in macroeconomic analysis. The Mid-term Review indicated what remained to be done, and his Government would join with others in achieving the goals set at the ninth session of the United Nations Conference on Trade and Development.

27. The representative of Jamaica said that one of the main objectives of the Mid-term Review had been to contribute to preparations for the tenth session of the United Nations Conference on Trade and Development and the exercise could therefore be seen as setting the basis for decisions at that session that would allow all countries to raise living standards through international trade. While it was important to focus on some categories of countries, it would be short-sighted to neglect systemic issues. The Administrative Committee on Coordination had just issued a statement on poverty, and although UNCTAD should be a focal point for poverty alleviation through development, the outcome of the Mid-term Review was silent on the matter; it must not be forgotten that the progress achieved with much difficulty in recent years could easily be jeopardized by disruptions in the international system. It would be an ongoing challenge to review implementation of mandates; world economic exchanges were not tied to the Midrand mandates, and economic actors were moving on.

28. The central goals of UNCTAD must include capacity-building in developing countries and assisting countries in preparing for international trade negotiations. With regard to the latter, timeliness would be important, since in the past there had been too many delays. His delegation understood the term "civil society" to refer to non-governmental organizations, and the latter must be fully involved in UNCTAD's work, since they were important actors in development. Linkages with other international organizations must also be given emphasis, especially in the fields of telecommunications and intellectual property. The greater use of feedback mechanisms would be more than timely, and the establishment of evaluation criteria would be helpful. Finally, it would be important not to concentrate all attention on the tenth session of the United Nations Conference on Trade and Development but to look more at the dramatic changes taking place at the present time.

29. The spokesperson for the least developed countries (Bangladesh) said that UNCTAD was moving in the right direction as far as focus on the least developed countries was concerned, and statements made in support of such focus were welcome. Giving priority to least developed countries was essential if they were to escape their plight of underdevelopment and regress.

30. The representative of Senegal said that the Mid-term Review had proved a useful exercise in that it had made it possible to evaluate what had been done and to see what remained to be done. The outcome could not reflect all concerns, but it was balanced.

31. The Deputy Secretary-General of UNCTAD said that the Mid-term Review outcome was highly successful. The Review itself had been transparent and frank, and criticism had been substantive and constructive. The secretariat found it gratifying that member States recognized the efforts made to streamline and to implement mandates, and it was encouraged to see that member States felt that UNCTAD was on the right track. It had taken careful note of where deficiencies had been identified and where remedial action was required, especially in terms of skill matches. In that connection, the Secretary-General

of UNCTAD would be making a statement to the next consultations on the progress achieved in reforming the secretariat; on that occasion he would provide detailed information on, inter alia, staff assignments, vacancies, and training in a spirit of complete transparency, to which he was fully committed. It must be noted that in some matters, for example, recruitment, member States would be kept informed and would have an opportunity to give their views, but decision-making would remain the prerogative of the Secretary-General. Finally, the outcome of the Mid-term Review would be implemented forthwith, and the Secretary-General would report regularly to member States.

32. The representative of the United States said that her delegation was prepared to help in any way it could to speed up the process of filling vacancies.

33. The representative of Morocco, speaking in his capacity as Chairman of the Mid-term Review process, said that UNCTAD must now pass the test of relevance. The Mid-term Review had been a frank process which had shown that UNCTAD had very good programmes but also had to address many problems. It was important to remember that nothing was written in stone. Economic realities were changing, and UNCTAD must also change. The secretariat had been criticized, but it had participated in the Review process in good faith. Member States must also make an effort to be less entrenched in their positions and to bear the broader picture in mind so that progress could be made. They must also show greater discipline in terms of allowing the secretariat to work freely and transparently. Finally, he was encouraged by the secretariat's commitment to implement the Mid-term Review recommendations, and he looked forward to regular reports on progress.

III. UNCTAD'S CONTRIBUTION TO THE UNITED NATIONS NEW AGENDA FOR THE DEVELOPMENT OF AFRICA IN THE 1990s*

1. The representative of the UNCTAD secretariat said that a distinction had to be drawn between the substantive analysis that the secretariat carried out for the Board's annual consideration of its agenda item on Africa at its regular session and the survey of activities currently before the executive session of the Board. A considerable amount of work had been carried out on policy research and analysis using regular budget and extrabudgetary resources, and part two of the Trade and Development Report, 1998, would be devoted to Africa. Work, funded by Japan, had also been done on the lessons of the East Asian financial crisis for Africa, and that work would culminate in a conference to be held in Mauritius. Some of the work relating to Africa depended on extrabudgetary resources, and such resources were not always available.

2. The spokesperson for the African Group (Mauritius) said that the secretariat's report (TD/B/EX(18)/2) gave a factual statement of the results obtained, together with frank explanations of factors inhibiting success. The main problems included human resources constraints and insufficient funding. That had always been the bane of the various initiatives launched by the international community to address the development challenges facing Africa.

3. At the forty-fourth session of the Board, the Secretary-General of UNCTAD had said that the differences between African least developed countries and those from other regions justified the need for separate treatment of the two groups of countries. He had also said that it would not be reasonable to assume that market forces alone could rebuild the necessary physical and social infrastructure in Africa, and he had concluded that the "flying geese" development paradigm was not an option for most of Africa. However, the report before the Board gave rise to misgivings and queries, since once again programmes had not been fulfilled as planned; that inevitably caused concern about the prospects of success in the broader context of country programmes which were themselves contingent upon subprogrammes like the United Nations New Agenda for the Development of Africa in the 1990s.

4. In the pursuit of sustained economic growth and sustainable development, African countries had undertaken policy reforms and adopted various microeconomic policy measures, and whatever growth and development had been achieved had to a large extent been the result of those measures, together with the efforts deployed at home in terms of human and institution capacity-building. At the same time, countries were still nowhere near meeting their expectations. They had thought that the United Nations New Agenda for the Development of Africa in the 1990s would act as a catalyst, but the report before the Board gave a measure of the difficulties and shortcomings encountered in its implementation. Much more needed to be done for the expeditious implementation of decisions taken at the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, as well as in connection with programmes like the Automated System for Customs Data (ASYCUDA), the Trade Point Programme, Training for the Maritime Industry (TRAINMAR) and the Coordinated African Programme of Assistance on Services (CAPAS). For new issues

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* For its consideration of agenda item 3, the Board had before it a report by the Secretary-General of UNCTAD on UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: activities undertaken by UNCTAD in favour of Africa (TD/B/EX(18)/2).

like electronic commerce, the euro, women in development and microfinance, work had not yet started.

5. The main problem lay in the protracted vacancies in critical posts, coupled with reliance on stopgap measures to cope with the requirements of Africa, and this resulted in mismatches between planning and implementation and between budget forecasts and actual resources. Large numbers of recommendations had emerged from expert meetings, consultants' reports and advisers' briefs, but in most cases, where measures and steps had been taken, implementation had been either too late or too limited. The question therefore arose as to whether the mandates set at the ninth session of the United Nations Conference on Trade and Development could be fully implemented before the tenth session of the Conference was held. The United Nations New Agenda for the Development of Africa in the 1990s was of high importance because of its propensity to produce demonstration and multiplier effects in the larger context of African economies, but if it remained unimplemented, it could only act as another brake on Africa's growth and development momentum. That must not be allowed to happen.

6. As liberalization, globalization and integration deepened, there was a need to review the programme's methodology and critical path, so as to make it more effective. The development paradigm had changed in Africa. A virtuous circle of growth and sustainable development must be attained, and the United Nations New Agenda for the Development of Africa in the 1990s had a significant role to play in that regard.

7. The representative of the United Republic of Tanzania said that his country was a beneficiary of the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Least Developed and Other African Countries. It thanked donors and hoped that more funds would be made available. One of the stated objectives of the programme was to strengthen export supply possibilities, taking into account the new market opportunities created by the Uruguay Round, but the resources available would not be commensurate with that goal, and it might be wise for the programme to be more focused. It was perhaps too soon to conclude that the programme was "bearing fruit", as the secretariat's report stated, and it was hoped that resources would be spent on measures that would have a real impact on the ground, not on travel and administration.

8. With regard to the follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, the international community was one family, and every family must take care of its weakest members. It was hoped that no delegations would have doubts in that regard, and, of course, much would depend on the efforts of the least developed countries themselves. Once country round tables had been held, more funds should be made available. The inter-agency cooperation in the follow-up to the High-level Meeting was appreciated, but it was hoped that the least developed countries themselves would be fully involved. Concerning new issues and the multilateral trading system, UNCTAD's commitment was appreciated, since the least developed countries relied on UNCTAD's expertise. UNCTAD's support in the context of preparations for the WTO Ministerial Conference, held at Singapore in 1996, had been very useful, and it was hoped that similar support would be provided in connection with the post-Lomé negotiations with the European Union. Finally, debt had reached crisis proportions for many least developed countries, and it was hoped that the heavily indebted poor countries' debt initiative would play its full role. UNCTAD should play a more proactive role in making the case of the heavily indebted countries to the Bretton Woods institutions.

9. The representative of Ethiopia said that, while the secretariat's report was clear and interesting, it would have been more valuable had there been sufficient policy analysis in it with regard to results attained and challenges faced in the implementation of the United Nations New Agenda for the Development of Africa in the 1990s. The latter was a major collective commitment and a shared responsibility of the international community. African Governments had exerted their utmost efforts to put macroeconomic fundamentals right. They had pursued wide-ranging economic adjustment programmes and political reforms with vision and vigour. Those reform programmes were yielding positive economic growth, but the challenge remained of making the results sustainable.

10. The support of the international community was vital in making Africa's socio-economic recovery and growth sustainable and firm, and the contributions of institutions like UNCTAD remained invaluable. The question was how such contributions could be made concrete and noticeable. The share of Africa in international trade continued to be insignificant, and investment flows to the region had stagnated. The bleak situation of African least developed countries was a cause for particular alarm; out of 41 countries identified by the World Bank and the International Monetary Fund as heavily indebted poor countries, 33 were in Africa. The debt crisis of Africa continued to severely depress its growth and development prospects, and Africa's development partners were urged to make extra efforts to implement the heavily indebted poor countries' debt initiative fully and expeditiously. The continued decline of official development assistance to Africa in 1995 to the lowest recorded level in the 1990s was a matter of serious concern. It was only through a viable partnership and joint efforts that the deplorable socio-economic conditions of Africa could be alleviated.

11. The representative of Sudan said that the secretariat's report was useful but that it could have been more analytical and informative. With regard to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, the follow-up had so far not met expectations. UNCTAD was the focal point in the United Nations system for least developed countries, and hence its primary role in the follow-up needed no further emphasis. More information should be provided in that regard. Concerning the integrated country programmes, little information was provided, and the fact that only four countries had benefited so far was a matter for concern. More countries should be covered. His own country was in fact covered by the programme and was satisfied with the implementation so far. The Trade Point Programme was of great significance and was very relevant to the needs of the business community in Sudan. More efforts were needed to ensure that the Trade Point Programme became operational, since only five trade points were fully operational in Africa. The secretariat should inform member States of any problems encountered in that connection.

12. The representative of Tunisia said that, with regard to the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Least Developed and Other African Countries, the secretariat's report did not show clearly enough that the efforts undertaken to date in eight countries represented only the first phase of the programme, which should be extended to all African countries. Secondly, the report did not sufficiently stress the slowness of implementation of the programme. Three years after its launching, the programme covered only eight countries, and implementation had actually begun in only one country. There was therefore a clear gap between good intentions and implementation. The one country in which implementation was going ahead was her own, but programme start-up had only been possible because her authorities had opted for financing within the framework of a United Nations Development Programme country project.

supplemented by the country's own resources. However, financing was assured only until the year 2000, when the problem would arise again. Her country therefore welcomed the creation of a trust fund for the Integrated Programme, thanked donors who had already contributed and appealed for further contributions.

13. The representative of Kenya said that the slowness of implementation of the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Least Developed and Other African Countries was disappointing. After three years, only one country out of eight had seen implementation begin; at that rate it would take 150 years to cover all of Africa. With regard to the follow-up to the October 1997 High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, more than eight months after the Meeting the administrative unit was still "being established" according to the secretariat report. Clarification should be provided as to the reasons for the delay. Similar clarification was needed in respect of the delay in the follow-up to the expert meeting on vertical diversification in the food-processing sector in developing countries, which had been held in September 1997. Further information would be useful on the progress achieved in the Trade Point Programme and with the heavily indebted poor countries' debt initiative further to the meeting held at Berne in June 1998. With regard to investment and enterprise development, the symposium held at Fes, Morocco, in June 1997, had proved very useful, and more symposia should be organized on increasingly complex issues. His delegation looked forward to receiving fact sheets on foreign direct investment.

14. The representative of South Africa said that the secretariat had both the scope and the political support to enhance its work on Africa, and work on behalf of all developing countries need not be adversely affected by this. When the tenth session of the United Nations Conference on Trade and Development was held in the year 2000 and when the General Assembly came to review the work of the United Nations system for Africa at the end of the decade, UNCTAD must be in a position to let its achievements speak for themselves. The African coordinator in the secretariat must therefore be provided with adequate support and resources.

15. The secretariat's report gave a good glimpse of the work being done by the secretariat, though coverage of the achievements of the various divisions could be improved. The follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development was taking place too slowly, and the gap between actual implementation of technical assistance and assumed new obligations was ever-widening. What had been done to follow up on the decisions of the WTO Ministerial Conference, held at Singapore in 1996, on trade and investment was not clear either. His delegation strongly supported the work being done on debt, on Training for the Maritime Industry (TRAINMAR), on new trade issues, on investment, and on accounting and reporting; the Coordinated African Programme of Assistance on Services (CAPAS) remained a key programme for South Africa. Many of the meetings organized by UNCTAD had been of value, and the increased support being provided to Africa's regional organizations was welcome.

16. The spokesperson for the Latin American and Caribbean Group (Uruguay) said that his Group supported the position of the African Group, whose concerns with regard to the effective integration of African countries into the world economy were quite legitimate. It welcomed the progress made in connection with debt management, capacity-building, the services sector, the follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries'

Trade Development, subregional shipping networks and trade points. It supported the work of UNCTAD in that connection, although it noted that that work often benefited specific regions. The challenges posed by the new multilateral trade system had to be faced by all countries - developing countries, the least developed countries, economies in transition and the structurally weak and vulnerable economies. The Latin American and Caribbean Group supported the initiatives taken and encouraged UNCTAD to pursue its activities in favour of Africa.

17. The representative of Uganda said that some progress had been made with the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Least Developed and Other African Countries, but more resources were required, and he appealed to donors to contribute. It was to be hoped that the Programme could be extended to other countries. With regard to the follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, his country was organizing a round table and hoped its development partners would participate actively. The emphasis should be on capacity-building, not seminars and travel. Concerning the vacancy rate in the UNCTAD secretariat, recruitment fell within the sphere of competence of the secretariat itself, but where failure to act affected programme implementation, member States had a duty to point this out. The post of Special Coordinator for Least Developed, Landlocked and Island Developing Countries should be filled.

18. With respect to new issues, the role played by UNCTAD in preparations for the WTO Ministerial Conference was appreciated, and it was hoped that UNCTAD would provide assistance in connection with forthcoming negotiations. His delegation welcomed UNCTAD's work aimed at helping African countries benefit from flows of foreign direct investment, as well as work on lessons to be drawn from the Asian financial crisis. Finally, UNCTAD should also focus on regional cooperation projects.

19. The representative of Morocco said that the secretariat's report represented a valuable contribution, although future reports should be more analytical and forward-looking. The fact that work had begun on the lessons to be drawn from the Asian experience was welcome. However, implementation of the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Least Developed and Other African Countries was very slow, and financing was not forthcoming. The Programme should be evaluated as it progressed. UNCTAD had an important role to play in the follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, but the appointment of a Special Coordinator and the strengthening of the human resources in his office would be essential in that connection.

20. Concerning trade points, an Africa-wide forum was essential to ensure interconnectivity for the continent as a whole, and while regional forums were useful, they should be seen as an intermediate stage. UNCTAD's role in capacity-building for African countries was particularly effective in the context of the multilateral trade framework, and related activities should be included in the Technical Assistance Programme. On investment, UNCTAD should do more to help African countries in negotiations on investment and in strengthening their supply capacity. Finally, African countries should be better represented at the senior and middle levels of the UNCTAD secretariat in order to help implementation of Africa-related activities.

21. The representative of Egypt said that his country appreciated UNCTAD's efforts in respect of capacity-building, analysis and technical cooperation. Recent years had seen greater understanding of African problems in the

secretariat, and the Board's review should help tackle the persisting weaknesses in programme implementation. The secretariat's work on the lessons of the Asian financial crisis was welcome, as was work on the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Least Developed and Other African Countries. It was hoped that that programme would be extended to more countries, and his delegation attached particular importance to institution-building and human resources development.

22. Egypt attached special importance to the needs of least developed countries, and it looked forward to an effective follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, although the pace of follow-up action must be accelerated. With regard to new issues, his delegation fully supported UNCTAD's cooperation with other trade organizations and hoped UNCTAD would assist African countries in preparing for trade negotiations. On debt, UNCTAD should carry out studies to highlight the main causes of the problem. The continuing importance of official development assistance for African countries must be emphasized, and new ways must also be found of encouraging foreign direct investment in Africa. The new approach to accounting systems for small and medium-sized enterprises was welcome. Finally, the secretariat's human resources must be enhanced with a view to helping Africa realize its potential.

23. The representative of Austria, speaking on behalf of the European Union, said that the secretariat's report presented a good picture of UNCTAD's activities in connection with the implementation of the United Nations New Agenda for the Development of Africa in the 1990s, but it would have been useful to know more about the objectives pursued by the secretariat and what concrete results had been achieved. It would also be interesting to have more information on the impact of programmes financed by the regular budget and by voluntary contributions. The European Union underlined its firm commitment to the development of Africa. That was reflected, for example, in its close cooperation with the Southern African Development Community.

24. As noted during the Mid-term Review, improvements could still be made in UNCTAD's work on Africa. Programmes undertaken by UNCTAD must take full account of work in other international organizations. They should be based on a thorough understanding of sectoral needs, priorities and capacities, should lead to substantial improvement in the provision of development services, and should continue to take into account recipient Governments' ownership of their development programmes. The European Union appreciated UNCTAD's constructive role in promoting trade facilitation and in the streamlining of customs documentation and processing in Africa, and it encouraged UNCTAD to help African countries further in tackling the administrative and procedural causes of the still high transport and transaction costs associated with internal and external trade in and with Africa. It supported UNCTAD's endeavours to promote the integration of African economies, especially least developed countries, into the world trading system.

25. The follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development should be based on a coordinated and cooperative approach to guarantee maximum efficiency. In that connection, the European Union welcomed the ad hoc meeting on the Generalized System of Preferences, the Global System of Trade Preferences among Developing Countries and new initiatives for least developed countries convened by the Secretary-General of UNCTAD, which provided an excellent opportunity precisely to follow up on the High-level Meeting.

26. In discussions of Africa's major problems, debt issues were inescapable. The European Union was confident that, following the forthcoming review, the annual meetings of the World Bank and the International Monetary Fund would agree to the extension of the heavily indebted poor countries' debt initiative programme for a further two years. Concerning the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Least Developed and other African Countries, the European Union would very much welcome a possible future expansion of the programme once the work already carried out had been evaluated. It was confident that in the very near future the necessary staff appointments would be made in order to implement the programme.

27. The spokesperson for the Asian Group (Bangladesh) said that his Group supported the position of the African Group. At the same time, making a distinction between Asian and African least developed countries might not be beneficial to least developed countries as a whole, although if the strategy worked, his Group would be the first to applaud. The Asian Group welcomed the establishment of the Common Trust Fund, and appealed to donors to contribute to it. With regard to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, his Group shared the concern of others over the slow pace of implementation. On new issues, capacity-building and the integration of the least developed countries into the multilateral trading system were high priority areas, and any contribution that UNCTAD could make in that connection would be welcome. The debt overhang and possible responses to it, including that of the Paris Club and the heavily indebted poor countries' debt initiative, were matters of concern to all least developed and low-income countries, not just to one group of countries. In that connection, the decline in official development assistance at a time when an increase was needed was a matter of concern, and the attention of the development partners was drawn to the matter. Finally, with regard to entrepreneurial networking, that approach should be encouraged through UNCTAD activities, and Asia and Africa should work together, avoiding divisions.

28. The representative of China said that the secretariat's report was well structured and informative. His delegation agreed with the comments made by Mauritius on the report. The 1990s had seen a considerable change in the overall trade and development environment, and it was essential to help African countries increase their capacity in the new context. UNCTAD's contribution to attaining that goal deserved praise, and it was hoped that that contribution would continue so that the United Nations New Agenda for the Development of Africa in the 1990s could attain its goals as soon as possible. His Government attached extreme importance to Africa. It had taken measures to enhance its cooperation with Africa and would continue to support African development.

29. The representative of Senegal said that the secretariat's report was very useful, although in future it should be designed to allow a critical evaluation of activities. His delegation attached particular attention to trade points, but despite the secretariat's efforts, the Trade Point Programme had been slow in entering a truly active phase because of lack of funds. In that connection, ecu 10 million had been pledged by the European Union, and those funds were awaited with impatience. The secretariat should intensify its efforts to have the funds released. In July 1997, his country had organized a trade point forum for French-speaking and Portuguese-speaking Africa, and that could represent a first step towards an Africa-wide forum.

30. The representative of the United States said it was essential that UNCTAD develop the fundamental analytical framework for reviewing Africa's trade and investment prospects, and her delegation looked forward to the 1998 Trade and

Development Report in that connection. The secretariat's report had greatly assisted her delegation in determining UNCTAD's commitment to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s, and her delegation would work closely with the secretariat to obtain a better understanding of related UNCTAD activities. Over the next year, it would request regular updates on support for Africa-related activities, the representation of Africans throughout UNCTAD, and coordination with other organizations. Focus on Africa and least developed countries need not be a zero-sum game: UNCTAD was in a position to develop a positive agenda that would benefit all developing countries.

31. The representative of Cuba said that his country considered itself a brother of Africa. Least developed countries in Africa, as in other poor regions of the world, needed urgent help. The secretariat's analysis of work on the United Nations New Agenda for the Development of Africa in the 1990s represented a valuable tool for programme implementation, but it showed that good intentions were not enough; more determined efforts were required. Internal shortcomings should be addressed and the basic causes of the existing situation analysed, not only in Africa but in poor countries throughout the world. His delegation supported UNCTAD's efforts to seek solutions to the economic problems of Africa. It also agreed that UNCTAD's assistance must be more balanced.

32. The representative of Nigeria said that the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Least Developed and Other African Countries was welcome, but consideration should be given to the establishment of a more permanent structure for implementation. The number of beneficiary countries must be expanded, and donor countries were urged to contribute generously to the Common Trust Fund. With regard to the follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, his delegation was happy to note that needs-assessment exercises had been conducted and that inter-agency coordination mechanisms had met. UNCTAD was urged to further strengthen its collaboration with other agencies to ensure the early launching of the administrative unit.

33. On new issues, developing countries looked forward to UNCTAD's support in evolving a proactive approach. The cooperation between UNCTAD, the Organization of African Unity and the United Nations Development Programme to develop an institutional negotiating mechanism to support African Governments in future trade negotiations was encouraging. UNCTAD should also speed up its region-wide efforts to prepare African Governments for the negotiations on trade in services in the year 2000. The preparations for the new ASYCUDA project for the Economic Community of West African States (ECOWAS) were to be commended, although his country had continued to bear the full costs of its participation. He therefore urged the secretariat to extend financial assistance to his country, as in the case of other beneficiaries.

34. At its forty-fourth regular session, the Board had provided fresh orientations for UNCTAD's work on Africa. However, the secretariat had not yet fully responded to those new orientations, particularly as they related to development resources and official development assistance, for which it had been given a specific mandate. The secretariat should therefore actively explore ways and means of increasing resources for development in Africa, in particular by analysing how official development assistance could be used as a catalyst to attract other types of flows.

35. Finally, the unsatisfactory coordination of activities of the United Nations New Agenda for the Development of Africa in the 1990s, the delay in the establishment of a focal point for the programme and the under-representation of Africa in the secretariat had not served Africa's cause. The post of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries should be filled quickly.

36. The representative of Japan said that the secretariat's report should have said more about the tangible results of the activities undertaken, especially with regard to capacity-building. Indicators to measure the impact of activities on the development process, or mechanisms to obtain feedback from member States, especially least developed countries, should be developed. UNCTAD should make every effort to have a visible impact in Africa.

37. The representative of the UNCTAD secretariat said that the secretariat had taken note of the comments and criticisms of member States. With regard to the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Least Developed and Other African Countries, it was true that the Programme had taken some time to get off the ground, one reason being lack of financing. Since the time of writing of the secretariat's report, implementation plans had been completed and local implementation bodies identified for all eight countries currently involved. Funding was being sought to allow extension of the Programme to other countries, and it appeared that donors would be more inclined to finance extension to least developed countries. An assessment of the Programme would be suggested to the two other agencies involved.

38. With regard to the follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development, a focal point had been established in the International Trade Centre, 39 needs assessments had been reviewed by the inter-agency working group, and integrated responses had been prepared for all 39 countries. To date, 14 countries had expressed interest in preparing for donor meetings.

39. Concerning new issues, briefing papers had been prepared and made available to all developing countries, and further studies were planned within the framework of the UNDP regional programme for Africa. In connection with trade-related intellectual property rights (TRIPs), the World Intellectual Property Organization and UNCTAD were preparing background studies to assist African countries in preparations for the review of the TRIPs agreement. Briefing sessions would also be organized for African countries. The third phase of the Coordinated African Programme of Assistance on Services was well under way, the mid-term review of nine national studies having been undertaken in May 1998. A regional seminar to review the findings was scheduled for autumn 1998.

40. With respect to integrated country programmes, four African countries had been covered so far, but it would not be possible to cover all countries at once. It was hoped that the number of African countries covered would be increased in 1999.

41. On trade points, although the European Union had initially announced a contribution of ecu 10 million for the establishment of trade points in the ECOWAS region, it appeared that the actual contribution would probably be much less, possibly about ecu 2 million. Funding problems were also affecting the ASYCUDA programme in the ECOWAS region. Concerning the Debt Management and Financial Analysis System (DMFAS), the meeting at Berne in June 1998 had been a steering committee meeting of four donor countries, which had reiterated their

commitment to support capacity-building for debt sustainability through Debt Relief International, with which UNCTAD had established a close working relationship through the DMFAS programme. Finally, the secretariat had considerably enhanced its analytical work on Africa and would seek to improve further its reporting to executive sessions of the Board in line with the guidance provided by Governments.

Action by the Board

42. The Board took note of the statements made under the agenda item on UNCTAD's contribution to the United Nations New Agenda for the Development of Africa in the 1990s.

IV. REPORT BY THE PRESIDENT OF THE BOARD ON CONSULTATIONS ON PARTICIPATION OF DEVELOPING COUNTRIES' EXPERTS IN UNCTAD MEETINGS

1. The President said that, further to the decisions taken by the Board at its seventeenth executive session, he had requested Ambassador Anthony Hill (Jamaica), Vice-President of the Board, to chair open-ended consultations on participation and financing of developing countries' experts in UNCTAD meetings. The consultations were held on 3 July 1998. The Vice-President's report gave reason to believe that the consultations could come to a successful conclusion. The Bureau recommended to the Board that it extend the mandate for the consultations.

Action by the Board

2. The Board decided to extend the mandate of the President of the Board to continue his consultations and to report at a future monthly consultation of the President on the two issues involved:

(a) Guidelines and modalities for funds from savings resulting from improved overall cost-effectiveness for financing of experts and

(b) Operational modalities of the trust fund to ensure participation of developing countries' experts in UNCTAD meetings.

V. REPORT OF THE JOINT ADVISORY GROUP ON THE INTERNATIONAL TRADE CENTRE UNCTAD/WTO

1. The representative of Morocco, speaking in his capacity as Chairman of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO, introducing the report of the Joint Advisory Group on its thirty-first session (ITC/AG(XXXI)/171), said that the Group had examined the technical cooperation activities of the International Trade Centre (ITC) in 1997 based on its annual report, the evaluation of the ITC subprogramme entitled "Product and market research, development and promotion" and the ITC strategy for product and market development. The Group had also examined the work of the Consultative Committee on the ITC Global Trust Fund.

2. The Deputy Secretary-General of UNCTAD and the Deputy Director-General of WTO had commended ITC's Executive Director for the manner in which he had led ITC's reform process, and they had also referred to the enhanced cooperation amongst the three organizations. The Executive Director had announced that ITC had virtually completed the refocusing exercise begun in 1994. He had highlighted ITC initiatives to strengthen its capacity to address the trade-related needs of least developed countries and had noted that ITC was developing, refining and applying at the country level generic technical assistance tools as the best possible way of achieving national capacity-building and optimizing the return on its limited resources. Collaboration of ITC with other organizations had increased.

3. He himself as Chairman had referred to the informal consultations he had convened in April 1998 on an appropriate supervisory mechanism for ITC and the implementation of the recommendations of the Office of Internal Oversight Services of the United Nations Secretariat. On the supervisory mechanism, a consensus had been reached for the review to take place after the thirty-first session of the Joint Advisory Group, giving due regard to the outcome of the ongoing review of the technical cooperation programmes of ITC's parent organizations and the functioning of the existing supervisory bodies. The conclusions of the informal consultations would be reported to the next session of the Joint Advisory Group, in 1999.

4. The Group had unanimously expressed its appreciation to the Executive Director and the secretariat for ITC's progress in defining and implementing a new strategic orientation, pursuing its management reform, intensifying cooperation with other organizations and reporting clearly and comprehensively on its activities. The Group had welcomed the new product and market development strategy, and it had also expressed its appreciation for the contribution that the Global Trust Fund and its Consultative Committee had made to ITC's work programme.

5. Finally, the Governments of Belgium, Canada, China, Denmark, Finland, France, Germany, Italy, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom had announced confirmed or possible voluntary contributions to ITC.

Action by the Board

6. The Board took note of the report of the Joint Advisory Group on its thirty-first session (ITC/AG(XXXI)/171).

7. The Deputy Secretary-General of UNCTAD expressed the total support of the UNCTAD secretariat for ITC. Cooperation between UNCTAD and ITC had developed rapidly and satisfactorily, especially in the context of the UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Least Developed and Other African Countries and the follow-up to the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development. It was hoped that ITC would play an important role in the "Partners for Development" meeting to be held at Lyon, France, in November 1998.

VI. INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

A. Opening of the session

1. The eighteenth executive session of the Trade and Development Board was opened on 10 July 1998 by Mr. Goce Petreski (The former Yugoslav Republic of Macedonia), President of the Board.

B. Bureau of the eighteenth executive session

2. There being no change in the elected officers of the Bureau since the forty-fourth session of the Board, the Bureau of the Board at its eighteenth executive session was as follows:

President: Mr. Goce Petreski (The former Yugoslav Republic of Macedonia)

Vice-Presidents: Mrs. Anne Anderson (Ireland)
Mr. Michael Ray Arietti (United States of America)
Mr. Dhurmahdass Baichoo (Mauritius)
Mr. Nacer Benjelloun-Touimi (Morocco)
Mrs. Eveline Herfkens (Netherlands)
Mr. Anthony Hill (Jamaica)
Mr. Gilberto Saboia (Brazil)
Mr. Vasily Sidorov (Russian Federation)
Mr. Bjørn Skogmo (Norway)
Mr. Bozorgmehr Ziaran (Islamic Republic of Iran)

Rapporteur: Mr. Sek Wannamethee (Thailand)

C. Adoption of the agenda

3. The Board adopted the provisional agenda for its eighteenth executive session, as contained in document TD/B/EX(18)/1 and Corr.1 (see annex I).

D. Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board

4. The Board decided that the African Export Import Bank should be designated under rule 76 of the rules of procedure so that it could participate in the deliberations of the Conference, the Board and its subsidiary organs.

E. Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board

5. The Board decided that the Transnational Institute should be given consultative status and be classified in the general category.

6. The Board was also informed that, in conformity with the provisions of Board decision 43 (VII), sections III and IV, and after consultation with the Government concerned (the Russian Federation), the Secretary-General had decided

to enter the Association of Financial and Industrial Groups of Russia in the register of national non-governmental organizations.

F. Designation of the President of the Bureau of the forty-fifth session of the Trade and Development Board

7. Mr. Chak Mun See (Singapore) was nominated for the post of President of the Board at its forty-fifth session.

G. Other business

8. The Board noted that the thirty-second session of the Working Party on the Medium-term Plan and the Programme Budget, originally scheduled for 7 to 9 September 1998, would be held from 21 to 23 September 1998.

H. Report of the Board on its eighteenth executive session

9. The Board authorized the Rapporteur to complete the report on its eighteenth executive session under the authority of the President.

Notes

[1] See Proceedings of the United Nations Conference on Trade and Development, Ninth Session, Midrand, South Africa, 27 April-11 May 1996, Report and Annexes (United Nations publication, Sales No. E.97.II.D.4), part one, sect. A.

[2] A/53/676.

ANNEX I

Agenda of the eighteenth executive session of the Board

1. Adoption of the agenda

2. Mid-term review

3. UNCTAD's contribution to the United Nations New Agenda for the Development of Africa in the 1990s: UNCTAD's activities in favour of Africa (agreed conclusions 443 (XLIV))

4. Institutional, organizational, administrative and related matters:

   (a) Designation of intergovernmental bodies for the purposes of rule 76 of the rules of procedure of the Board;

   (b) Designation of non-governmental organizations for the purposes of rule 77 of the rules of procedure of the Board;

   (c) Designation of the President and Bureau of the forty-fifth session of the Trade and Development Board

5. Report by the President of the Trade and Development Board on his informal consultations on:

   (a) Guidelines and modalities for funds from savings resulting from improved overall cost-effectiveness for financing of experts;

   (b) Operational modalities of the trust fund to enhance participation of developing countries' experts in UNCTAD meetings

6. Report of the Joint Advisory Group on the International Trade Centre UNCTAD/WTO on its thirty-first session

7. Other business

8. Report of the Board on its eighteenth session

ANNEX II

Membership and attendance*

1. The following States members of UNCTAD, members of the Board, were represented at the session:

Algeria
Australia
Austria
Bangladesh
Belarus
Belgium
Bhutan
Bolivia
Brazil
Burundi
Canada
Chile
China
Costa Rica
Côte d'Ivoire
Croatia
Cuba
Czech Republic
Denmark
Ecuador
Egypt
Ethiopia
Finland
France
Germany
Guatemala
Haiti
India
Indonesia
Iran (Islamic Republic of)
Iraq
Ireland
Israel
Italy
Jamaica
Japan
Jordan
Kenya
Lebanon
Madagascar
Malaysia
Malta
Mauritania
Mauritius
Mexico
Morocco
Myanmar
Nepal
Netherlands
Nicaragua
Nigeria
Norway
Panama
Paraguay
Peru
Philippines
Poland
Portugal
Republic of Korea
Romania
Russian Federation
Senegal
Singapore
South Africa
Spain
Sri Lanka
Sudan
Sweden
Switzerland
Thailand
The former Yugoslav Republic of Macedonia
Trinidad and Tobago
Tunisia
Turkey
Uganda
Ukraine
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
United States of America
Uruguay
Venezuela
Yemen
Zimbabwe

* For list of participants, see TD/B/EX(18)/INF.2.

2. The following State member of UNCTAD, not member of the Board, was represented as an observer at the session:

Holy See

3. The following intergovernmental organizations were represented at the session:

Arab Labour Organization
European Community
League of Arab States

4. The following specialized agencies and related organizations were represented at the session:

Food and Agriculture Organization of the United Nations
International Labour Organization
International Monetary Fund
United Nations Industrial Development Organization
World Trade Organization

5. The International Trade Centre UNCTAD/WTO was represented at the session.

6. The following non-governmental organizations were represented at the session:

International Chamber of Commerce
International Confederation of Free Trade Unions
Third World Network
Women's International League for Peace and Freedom
World Federation of United Nations Associations

I. ACTION BY THE TRADE AND DEVELOPMENT BOARD ON SUBSTANTIVE ITEMS OF ITS AGENDA

A. Segment for high-level participation: the impact of financial crisis on trade, investment and development: regional perspectives

1. The Trade and Development Board engaged in a high-level discussion on the topic of the impact of financial crisis on trade, investment and development: regional perspectives, chaired by Mr. Supachai Panitchpakdi, Deputy Prime Minister of Thailand.

2. The high-level segment comprised two panel discussions, the first on "The Asian epicentre" and the second on "The ripple effect and lessons to be learnt from the crisis". The latter discussion was conducted jointly with the Second Committee of the General Assembly by teleconference.

B. The High-level Mid-term Review

3. The Midrand Declaration, adopted at the ninth session of the United Nations Conference on Trade and Development, held at Midrand, South Africa, in 1996, stated that: "To build on the political commitment of member States to the process initiated at this Conference and ensure its implementation, the President of UNCTAD IX should consider convening a special high-level review meeting two years prior to UNCTAD X".[1] In its resolution 52/182 of 18 December 1997, the General Assembly welcomed the convening in 1998 of a special high-level mid-term review meeting which would contribute to the preparations for the tenth session of the Conference, to be held in Thailand in 2000.

4. The High-level Mid-term Review focused on the follow-up to the mid-term review exercise, launched in February 1998, with a view to assessing global developments since Midrand, the expectations over the next two years and the future prospects looking forward to the tenth session of the Conference and beyond. The documentation consisted of the outcome and support documents of the Mid-term Review (TD/B/45/8) and an issues paper by the Secretary-General of UNCTAD (TD/B/45/CRP.2).

5. At the conclusion of the discussion, the Board requested the Secretary-General of UNCTAD to prepare and submit to delegations, through the Bureau, a draft provisional agenda for the tenth session of the United Nations Conference on Trade and Development for the purpose of consultations aimed at approving the provisional agenda at the nineteenth executive session of the Board, scheduled to be held on 15 December 1998. The Board was also informed that, for planning purposes, the tenth session of the United Nations Conference on Trade and Development was scheduled to be held from 12 to 20 February 2000.

C. Interdependence and global economic issues from a trade and development perspective: the causes, management and prevention of financial crisis

6. The following agreed conclusions on agenda item 4 were adopted by the Board on 23 October 1998:

Agreed conclusions 451 (XLV): The causes, management and prevention of financial crisis

1. The current financial crisis afflicting the world economy has systemic elements, and the countries affected cannot deal with the problem in isolation. An effective response needs to combine measures at both national and international levels.

2. Domestic factors have certainly played a major role in financial crises in some countries. However, others with sound economic fundamentals and institutions have also been affected by global financial instability. Moreover, the adverse impact of the crisis on commodity prices has been a major factor in reducing export earnings and growth in a number of countries, especially developing countries.

3. A single recipe for responding to financial crises is neither feasible nor desirable. Domestic policies need to be tailored to the specific circumstances of each country and designed to revive growth, restore confidence and ensure an orderly return to financial stability. Such efforts should be complemented by appropriate actions by developed countries. Those efforts should ensure sustained economic growth and sustainable development.

4. Recourse to protectionist policies cannot be the solution to current global problems, but would merely serve to deepen the crisis. Growth-oriented policies hold the key to averting the risk of global recession and pressures for protectionism.

5. Recent events underscore the importance of a favourable external environment in attaining policy objectives in developing countries. An enabling external financial environment to support domestic measures could require, inter alia, adequate and transparent supervision of volatile, short-term capital flows.

6. There is a need to reform the existing international financial architecture so as to reduce the likelihood of financial crises and to manage them better. Full representation and participation of developing countries should be an integral part of the reform process. The views of developing countries should be taken into account. Effective multilateral and domestic surveillance is essential for the prevention of financial crises. Such surveillance needs to recognize the role of global interdependence in transmitting financial instability. Greater coherence is needed in international policy-making in the areas of trade, money and finance.

7. Reform of the financial architecture should address weaknesses and gaps in the existing regulatory framework for cross-border lending and financial flows. The scope of such reform may need to be extended to a wider range of financial activities.

8. Greater transparency of the operations of private financial institutions, Governments and multilateral financial institutions is essential for effective surveillance of policies and supervision of markets and for timely action to prevent financial instability. A consultative process should be encouraged for this purpose.

9. Strengthened prudential regulation and supervision of the financial system in a well-sequenced process of liberalization can contribute to greater financial stability. Domestic reforms to be considered might include:

(a) increased transparency and disclosure; (b) strengthening of domestic regulatory standards; and (c) more effective burden-sharing arrangements, such as improved insolvency and debtor-creditor regimes.

10. There may also be a need to use other instruments to prevent the build-up of external financial vulnerability without impeding trade or medium- and long-term investment flows. Useful lessons can be drawn from the successful experiences in a number of countries with the use of such instruments. However, regulation and control over financial flows should not be used to sustain inappropriate policies.

11. While prevention of financial crises should be the ultimate aim of reform efforts, measures also need to be put in place for better management when crises arise. Establishing a genuine international lender of last resort with adequate resources to provide the liquidity needed to support countries facing external financial difficulties might be such a measure. However, given the serious impediments to this, it may also be useful to explore alternative means of crisis management that would provide safeguards against speculative attacks and disruption of markets, prevent moral hazard, and secure more equitable burden-sharing between debtors and creditors. The establishment of orderly debt work-out principles could be further examined. Developed countries should also consider other actions to facilitate access to liquidity of developing countries facing external financial difficulties.

12. The Board expresses it appreciation for the sound, independent and timely analysis provided in the 1998 Trade and Development Report. It urges the secretariat to continue to study international trade, monetary and financial issues as part of its work on interdependence with a development perspective as recognized in the document entitled "A Partnership for Growth and Development", adopted by the ninth session of the United Nations Conference on Trade and Development.[1] The proposals for the prevention and management of financial crises contained in the 1998 Trade and Development Report deserve wider dissemination and discussion, and further analysis. Within its existing mandate and taking account of work undertaken in other relevant organizations, UNCTAD should contribute to the debate on issues related to strengthening and reforming the international financial architecture by continuing to provide relevant analysis from a development perspective.

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D. Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s

7. The following agreed conclusions on agenda item 5 were adopted by the Board on 23 October 1998:

Agreed conclusions 452 (XLV): Trade and investment in least developed countries: opportunities and constraints in the multilateral trading system

1. The Trade and Development Board carried out its eighth annual review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s, with The Least Developed Countries 1998 Report[2] as the background document. The Board commended the secretariat for the

high quality of the Report and its comprehensive analysis of the economic performance of least developed countries and the opportunities and constraints they face in attempting to enhance their participation in the multilateral trading system. The main message of the Report, which is that least developed countries should be fully integrated into the world trading system, needed to be brought out with greater clarity. However, it was recognized that the particular circumstances of least developed countries continue to warrant special and differential treatment under the Uruguay Round agreements. Nonetheless, it was acknowledged that the long-term challenge for least developed countries was to improve their competitiveness in international markets.

2. The Board was encouraged by the fact that the least developed countries as a group had been able, in 1997, to sustain their recent economic recovery. Their improved performance was due to a combination of factors, both domestic and external. The Board was nevertheless concerned by the considerable uncertainty over the short-term prospects for least developed countries; their fragile economies are particularly vulnerable to exogenous shocks such as the Asian financial crisis, declining commodity prices and natural calamities. The risk of policy reversals and continued civil strife also raises questions about the sustainability of the recent economic recovery in some least developed countries. Furthermore, even if the current recovery could be sustained in the coming years, it would not by itself contain the continued marginalization of least developed countries in world trade or enhance their necessary integration into the global trading system, or make much headway in alleviating poverty.

3. The Board noted that the improved economic performance of least developed countries in recent years was mainly attributable to their own sound macroeconomic policy reforms, undertaken under most difficult domestic and external conditions. They were encouraged to continue their reform efforts, with the active support of the international community, in a spirit of partnership and shared responsibility, to create a conducive environment for sustained economic growth and development. They were also encouraged to make efforts to create conditions for improved domestic and foreign direct investment and diversification of their exports.

4. The Board considered the availability of adequate external financial resources to be of critical importance in sustaining growth and development in least developed countries. The significant decline in official development assistance to least developed countries in 1996 was recognized with concern. Donor countries were called upon to increase their levels of financial assistance in line with established United Nations targets. The recent initiatives by some donor countries and the continued steadfast implementation of aid programmes in favour of least developed countries by a number of other donors needed to be supplemented by further efforts on the part of all development partners of least developed countries with a view to meeting the commitments undertaken in the Programme of Action. That was particularly important in view of the inability of the least developed countries to attract significant flows of foreign direct investment.

5. Despite significant progress made by least developed countries in implementing broadly based economic reform programmes, most of them had not succeeded in attracting long-term investment. Although a wide range of investment opportunities existed in least developed countries, particularly in the agricultural, tourism and mining sectors, they still faced obstacles in trying to attract foreign direct investment and other forms of private capital. That situation served to underscore the critical importance of the role of

official agencies - multilateral and bilateral development finance institutions and aid agencies - in helping to promote private flows to least developed countries. They needed technical and financial assistance to improve their institutional and physical infrastructure in order to enhance their ability to attract more foreign equity investment flows and draw benefits therefrom.

6. While the Board welcomed major debt relief initiatives, it considered that further efforts were needed to alleviate the external debt situation of least developed countries, which continued to be a source of grave concern. Without a sustained and decisive reduction in their external debt and debt-service obligations, the growth prospects of least developed countries and their ability to attract foreign direct investment would remain limited. The Board also welcomed heavily indebted poor countries' debt initiative, but noted that its implementation had so far been limited. Two years after its launching, only one least developed country had benefited from the full-fledged relief provided by the initiative. The extension to the year 2000 of the initial two-year deadline for countries to be considered under the initiative, so as to allow more countries to meet the entry requirements, was welcomed. However, there was a need to provide an effective and early exit from the debt overhang problem in support of debtor policy-reform efforts and to secure the necessary resources for the full and expeditious implementation of the initiative. The eligibility criteria should be flexible enough to take into account different debt situations and to include all least developed countries that are truly in need of debt reduction and are undertaking the necessary reforms. Donor countries might wish to give due consideration to the proposal made by the Secretary-General of the United Nations that all remaining official bilateral debt owed by the poorest heavily indebted poor countries should be converted into grants.

7. The Board stressed the importance of supporting least developed countries in their efforts to reverse their current marginalization in world trade and to become integrated into the world economy and international trading system. An expeditious accession process for least developed countries that are not members of the World Trade Organization (WTO) was an integral part of those efforts, and UNCTAD should continue its efforts to assist least developed countries in meeting their terms of accession. They should be enabled to achieve accession on terms consistent with their status as least developed countries. The challenge for the accession negotiations to be held in WTO is to combine, within a reasonable time-frame, the necessary rigorous observance of multilateral disciplines with a degree of flexibility and understanding for the difficulties and constraints faced by least developed countries.

8. The full and effective implementation of the Marrakesh ministerial decisions in favour of least developed countries and the special and differential measures in favour of least developed countries contained in the Uruguay Round agreements,[3] further enhancement of market access for least developed countries' exports and support for their efforts at capacity-building are essential if they are to become integrated into the world economy. While moves by several developed and developing countries to increase market access for least developed countries were welcomed, there remained substantial scope for further market access for agricultural and industrial products of export interest to least developed countries. The effective implementation of the Plan of Action for the Least Developed Countries, adopted at the first WTO Ministerial Conference, and the decisions of the High-level Meeting on Integrated Initiatives for Least Developed Countries' Trade Development would help to address the residual market access problems faced by least developed countries.

9. Supply-side constraints were at the root of the weak participation of least developed countries in international trade. The international community should help least developed countries to enhance their competitiveness through commodity diversification, improvement of their trade infrastructure and trade-supporting services, and human resource development. Moreover, the least developed countries themselves have a responsibility, in the context of their macroeconomic policy, to overcome the problems of supply-side constraints, for example the issues of high tariffs and other restrictions.

10. Least developed countries should also receive assistance to enable them to take an active part in negotiations that are part of the built-in agenda and to take an active interest in the current debate on new issues. UNCTAD's role in that regard was emphasized. It was also underscored that, in the process of the negotiations on the built-in agenda, the special needs of least developed countries should be taken into account.

11. The Board expressed concern at the pace of implementation of the Integrated Framework for Trade-related Technical Assistance, including for Human and Institutional Capacity-building, to Support Least Developed Countries in Their Trade and Trade-related Activities. The need to continue to enhance and improve coordination and coherence among agencies involved in the implementation of the Integrated Framework was emphasized.

12. Civil society has an increasingly important role to play in enhancing socio-economic development. The international community and, in particular, member States need to take effective measures to promote private enterprise and boost entrepreneurial activities in least developed countries. The creation by least developed countries of a favourable institutional and legal framework is an indispensable prerequisite in achieving that objective. The role of women and non-governmental organizations needed to be re-emphasized, and efforts should be undertaken to integrate all civil society partners into the development process of least developed countries. International development partners, especially non-governmental organizations, could play a vital role in that regard by entering into meaningful relationships with national non-governmental organizations and the private sector in least developed countries.

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Decision 453 (XLV): Contribution of the Board to the consideration by the General Assembly, at its fifty-third session, of the date, duration and venue of the Third United Nations Conference on the Least Developed Countries and its preparatory process

The Trade and Development Board,

Recalling General Assembly resolution 52/187 of 18 December 1997, in which the General Assembly decided to convene the Third United Nations Conference on the Least Developed Countries at a high level in the year 2001, and Board recommendation 442 (XLIV) of 22 October 1997,

Welcoming the generous offer of the European Union to host the Third United Nations Conference on the Least Developed Countries in the first semester of the year 2001,

Recommends to the General Assembly for adoption at its fifty-third session the following draft resolution entitled "Third United Nations Conference on the Least Developed Countries":

"The General Assembly,

"Recalling its resolution 52/187 of 18 December 1997, in which it decided to convene the Third United Nations Conference on the Least Developed Countries at a high level in the year 2001,

"1. Welcomes and accepts the generous offer of the European Union to host the Third United Nations Conference on the Least Developed Countries in the first semester of the year 2001;

"2. Designates the Secretary-General of the United Nations Conference on Trade and Development as the Secretary-General of the Conference, and requests him to make all necessary preparations for the Conference;

"3. Decides to convene the Third United Nations Conference on the Least Developed Countries in the first semester of the year 2001 for a duration of seven days, at a venue and time to be determined by the Secretary-General of the Conference in consultation with the European Union;

"4. Requests the Secretary-General of the Conference to organize the intergovernmental preparatory committee (in two parts) and the three expert-level preparatory meetings referred to in paragraph 1 (b) of resolution 52/187;

"5. Also requests the Secretary-General of the Conference, in consultation with member States and in cooperation with relevant organizations and agencies, to organize well-focused sectoral and thematic or, where appropriate, country-specific round-table meetings during the Conference to contribute to the work of the Conference;

"6. Calls upon the United Nations Development Programme and the World Bank to link the forthcoming round-table and consultative group meetings to the preparatory process of the Conference, and to ensure that they make substantive contributions to the Conference;

"7. Requests the Administrator of the United Nations Development Programme, in his capacity as Convenor of the United Nations Development Group, to ensure the full involvement in the preparations for the Conference of United Nations resident coordinators and country teams in the least developed countries;

"8. Calls upon the Secretary-General of the United Nations, in consultation with the Secretary-General of the Conference, to convene an inter-agency meeting to ensure the full mobilization and coordination of all relevant organs, organizations and bodies of the United Nations system, as well as other relevant institutions, for the purpose of the preparations for, and the follow-up to, the Conference;

"9. Invites the Secretary-General of the Conference to make arrangements, on the basis of consultations with Member States, to facilitate the involvement of civil society, including non-governmental

organizations and the private sector, in the preparatory process and the Conference;

"10. Decides to defray the cost of participation of two government representatives from each least developed country in the work of the intergovernmental preparatory committee meetings and the Conference itself through the use of extrabudgetary resources and, should those resources prove to be insufficient, to consider all other options."

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Statement in connection with Board decision 453 (XLV)

8. The representative of Uganda said that, with regard to paragraph 10 of decision 453 (XLV), his understanding was that the consideration of all other options should also include the option of financing the participation of government representatives of least developed countries from regular budget resources. As the least developed countries were to be the beneficiaries of the outcome of the Conference, it was important to facilitate their participation in the preparatory process and in the Conference itself so that they could contribute to shaping the programme of action.

E. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: prospects for agriculture, trade and industrialization

9. The following agreed conclusions on agenda item 6 were adopted by the Board on 23 October 1998:

Agreed conclusions 454 (XLV): UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: prospects for agriculture, trade and industrialization

1. The economic recovery which began in Africa in 1994 has proved to be fragile owing, inter alia, to lower commodity prices and more recently the effects of a slowdown in the world economy as a whole. The recovery did not generate the hoped-for increase in national savings and investment which, together with the attainment of the 6 per cent annual growth target envisaged by the United Nations New Agenda for the Development of Africa in the 1990s, is essential for the achievement of sustainable development in Africa.

2. While African countries have made determined efforts to improve macroeconomic fundamentals, reforms have failed adequately to address all the structural constraints, especially as regards the underdevelopment of human resources and of physical infrastructure, as well as institutional limitations. Those therefore remain severe. The design and implementation of structural adjustment programmes should take account of those constraints. Therefore, their conceptualization, including the premises on which they have been built, should be reviewed and adjusted to the requirements of individual countries, and coherence in policy advice should be ensured. Full ownership of reforms,

founded upon a broad-based national consensus, is a necessary condition for success.

3. The debt overhang continues to be a major constraint facing African countries. It is particularly acute in the light of a reduction of official development assistance, lower export receipts and meagre resource flows, including foreign direct investment. The debt overhang was having major adverse consequences for the fiscal health of African countries, and that might discourage domestic, foreign, public and private investment. While the heavily indebted poor countries' debt Initiative had been designed to contribute to an enduring solution to the debt problem, greater flexibility, additional efforts and a broader basis would help to put African countries back on the path to growth and development.

4. Bearing in mind the joint responsibility of both debtors and creditors in the accumulation of African debt, innovative approaches involving the affected countries were required. In that connection, taking into account the proposals contained in the Trade and Development Report, 1998, the international community might wish to consider ways and means of identifying that portion of the debt assessed as unpayable for possible action by creditors. UNCTAD should continue to consider the debt situation of African countries and provide technical assistance for debt management.

5. The fall in levels of official development assistance in real terms continued to be a major cause for concern. That trend needed to be reversed. Donors were invited to increase the level of official development assistance in accordance with internationally agreed targets. As well as its scale, the quality and predictability of official development assistance remained critical factors for Africa.

6. Agriculture was centrally important in overall economic development in most African countries. There was a need to address the problem of undercapitalization and low productivity. For that, market-based reforms needed to be supported. Government action, in most cases, had an important role to play in overcoming the institutional hiatus in input and output markets, infrastructural impediments and deficits in research and development, all of which hindered agricultural development. Promoting the tradable sector in agriculture could be greatly facilitated by better market access and reduced subsidies in industrialized countries. Moreover, graduation into "value added" agro-based manufacturing was highly desirable. To that end, the issue of tariff peaks and tariff escalation as regards products of special export interest to African countries needed to be adequately addressed. UNCTAD should therefore continue to analyse the ways in which conditions in domestic agriculture were affected by the global economic environment and come up with practical and sustainable policy options, including those involving enhancement of market access in the context of assisting developing countries in the formulation of a positive agenda.

7. An emphasis on agriculture should not lead to the neglect of industrialization. Experience showed that commodity-based industrialization, building on either agriculture or minerals, was a viable option. Foreign direct investment could play an important role. But public sector support and domestic investment were crucial. UNCTAD should cooperate with other relevant international organizations in helping African countries to identify opportunities open to them in that area.

8. Adequate openness to trade and full integration into the international trading system constituted a crucial objective for African countries. However, the timing, sequencing and degree of liberalization should be adjusted to the needs and constraints of African economies as they build up their international competitiveness. UNCTAD should continue to explore the links between trade, international transport and African economic growth and their policy implications.

9. Assistance should be extended to African countries by UNCTAD and other relevant international organizations in order to enable them to identify trade policy options available to them and their rights and obligations under World Trade Organization (WTO) rules, in particular the implementation of special and differential measures in favour of developing countries. Measures should be undertaken to facilitate rapid and negotiated accession to WTO by non-member African countries. Together with that, the problems facing supply capacities in the productive sectors should be addressed and possible solutions implemented. There was therefore a need for enhanced assistance through extrabudgetary resources by UNCTAD and other relevant organizations in those areas. Where impediments still exist, improved access to industrialized country markets should be considered.

10. Increased interactions and integration among countries in the region through trade, finance and investment were beneficial. There was considerable unexploited potential for subregional and regional trade in Africa. Initiatives already being implemented by African countries and their regional organizations required greater international support. Equally, the possibilities for enhancing interregional trade and cooperation should be fully exploited and encouraged, including through the Global System of Trade Preferences among Developing Countries. Greater linkages between countries' private sectors in this connection needed to be further promoted. In cooperation with other international organizations, UNCTAD should continue its technical cooperation and assistance in those areas. The UNCTAD/WTO/ITC Joint Integrated Technical Assistance Programme for Least Developed and Other African Countries was a good example of such inter-agency cooperation.

11. Institution-building remained a major challenge for African countries. Pro-investment policies, the development of a dynamic entrepreneurial sector willing to invest and the reform of the public sector were fundamentally important factors. The creation of a partnership between the private and the public sector from a developmental perspective had proved to be a successful policy approach both in Africa and elsewhere.

12. The Board reiterated that democracy and transparent and accountable governance and administration in all sectors of society were indispensable foundations for the realization of people-centred sustainable development, and that it was essential for social development that all human rights and fundamental freedoms, including the right to development as an integral part of fundamental human rights, were promoted and protected.

13. The Trade and Development Board welcomed the comprehensive analysis of African development in the Trade and Development Report, 1998, and encouraged the continuation of such analysis in the context of UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s.

900th plenary meeting
23 October 1998

F. Review of technical cooperation activities of UNCTAD

10. At its 899th plenary meeting, on 16 October 1998, the Board, in the light of the report by the Chairman of the Working Party on the Medium-term Plan and the Programme Budget and the statements made, took note of the agreed conclusions of the Working Party on the technical cooperation activities of UNCTAD (TD/B/WP/L.84) and adopted the draft decision recommended therein (decision 455 (XLV)), as follows:

Decision 455 (XLV): Review of technical cooperation activities of UNCTAD

The Trade and Development Board,

1. Takes note with appreciation of the report on technical cooperation activities of UNCTAD and their financing and the complementary statistical information submitted by the secretariat (TD/B/45/6-TD/B/WP/109 and Corr.1 and Add.1 and Add.2 and Corr.1);

2. Notes with satisfaction the continued increase in the level of UNCTAD's technical cooperation expenditures in 1997;

3. Expresses its appreciation to bilateral and multilateral donors for their contributions to UNCTAD's technical cooperation programmes, and appeals to them to extend their contributions in line with UNCTAD's technical cooperation strategy and plan;

4. Notes with satisfaction that the share of technical cooperation expenditures originating in the United Nations Development Programme (UNDP) increased in 1997, and encourages the secretariat to continue its efforts to deepen its cooperation with UNDP;

5. Notes with satisfaction that the level and share of technical cooperation expenditures towards least developed countries have increased, welcomes the progress achieved with respect to the trust fund for least developed countries, expresses its appreciation for contributions from traditional donors and developing countries to the trust fund, and invites further contributions;

6. Requests the secretariat, in consultation with member States, to intensify its efforts to ensure a better relative balance in the share of technical cooperation activities of the various regions, taking into account their respective needs;

7. Notes with satisfaction the progress made by UNCTAD in its cooperation with other organizations, including through the signature of memoranda of understanding, and requests the secretariat to pursue its efforts to intensify such cooperation, including with the World Intellectual Property Organization and the International Telecommunication Union;

8. Encourages the secretariat to continue to deepen its cooperation with the World Trade Organization and the International Trade Centre with a view, inter alia, to better coordinating technical cooperation, in particular in the implementation of the Integrated Framework for Trade-related Technical Assistance for Least Developed Countries and of the Joint Integrated Technical Assistance Programme for Least Developed and Other African Countries;

9. Urges the secretariat, in the implementation of technical cooperation activities, to make maximum use of capacities from developing countries, including local and regional expertise;

10. Requests the secretariat to finalize the handbook on UNCTAD's technical cooperation and make it available to member States in all official languages of the United Nations and on the Internet as soon as possible;

11. Decides that an in-depth evaluation of the competition law and policy programme be considered at the next session of the Working Party on the Medium-term Plan and the Programme Budget in 1999 dealing with technical cooperation;

12. Requests the secretariat to prepare the rolling three-year technical cooperation plan in a simplified format for 1999-2001 for consideration by the Working Party at the second part of its thirty-second session in December 1998 and thereafter by the Trade and Development Board in 1999;

13. Notes that, during the first part of its thirty-second session, the Working Party requested its Chairman to hold further consultations with interested member States on the modalities of partial cost recovery for the Automated System for Customs Data (ASYCUDA), the Debt Management and Financial Analysis System (DMFAS) and the Advance Cargo Information System (ACIS) on the basis of the proposals set out in the secretariat's report (TD/B/45/6, chap. III), taking into account comments and suggestions of the Working Party, and to report thereon to the Working Party at its resumed thirty-second session in December 1998 with a view to taking an early decision on the issue.

899th plenary meeting
16 October 1998

Progress report on UNCTAD's assistance to the Palestinian people

11. At its 899th plenary meeting, on 16 October 1998, the Board took note of the progress report on UNCTAD's assistance to the Palestinian people (TD/B/45/CRP.1). (Further to the provisions of General Assembly decision 47/445 of 22 December 1992, an account of the Board's discussion on assistance to the Palestinian people is given in annex II.)

G. Other matters in the field of trade and development: progressive development of the law of international trade: report of the United Nations Commission on International Trade Law

12. At its 899th plenary meeting, on 16 October 1998, the Board took note of the report of the United Nations Commission on International Trade Law on the work of its thirty-first session,[4] and decided to invite a representative of the Commission to present the Commission's report to the regular session of the Board in 1999.

H. Other business

13. At its 900th plenary meeting, on 23 October 1998, the Board adopted the following decision:

Decision 456 (XLV): Financing the participation of developing country experts in UNCTAD expert meetings

The Trade and Development Board, having received the President's report on his consultations on the establishment of guidelines and modalities for the distribution of the relevant funds for the financing of experts in order to enhance participation of developing country experts in UNCTAD expert meetings in accordance with paragraph 114 of the document entitled "A Partnership for Growth and Development",[1] in compliance with action taken by the Board at its seventeenth executive session, decides that:

1. Experts benefiting from the financing should be nominated by their Governments and have proven experience; they will serve expert meetings in their personal capacity.

(a) The nomination procedure will be as follows:

(i) The Secretary-General of UNCTAD will include, in each notification to member States for forthcoming expert meetings, a specific request for nominees to benefit from the financing;

(ii) At least four weeks before each meeting, member States could each name one expert per expert meeting to benefit from the financing, attaching a curriculum vitae;

(b) The Secretary-General of UNCTAD will base his decisions regarding the enhancement of the participation of developing-country experts on the principle of equitable geographical representation, beneficiary needs and the expertise of the experts concerned.

2. Once the list of experts has been finalized, the Secretary-General of UNCTAD will have all travel arrangements made in accordance with United Nations financial rules and regulations. In the event of scarcity of resources and in order to stretch available resources to cover as many experts as possible, the Secretary-General will be authorized to use the least costly travel fare.

3. The financing will facilitate the participation of the appropriate number of developing country experts for each UNCTAD expert meeting. The Secretary-General of UNCTAD will present a report to the regular session of the Trade and Development Board on the financing and on the participation of experts in UNCTAD expert meetings in achieving the objectives of the financing.

900th plenary meeting
23 October 1998

II. PROCEDURAL, INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS

A. Opening of the session

1. The forty-fifth session of the Trade and Development Board was opened on 12 October 1998 by Mr. Goce Petreski (The former Yugoslav Republic of Macedonia), the outgoing President of the Board.

B. Election of officers*

2. At its 895th (opening) plenary meeting, on 12 October 1998, the Board elected by acclamation Mr. Chak Mun See (Singapore) as President of the Board for its forty-fifth session.

3. Also at its opening meeting, the Board completed the election of officers to serve on the Bureau of the Board at its forty-fifth session by electing 10 Vice-Presidents and the Rapporteur. Accordingly, the elected Bureau was as follows:

President: Mr. Chak Mun See (Singapore)

Vice-Presidents: Mr. Nobutoshi Akao (Japan)
Mr. Carlos Amat Fores (Cuba)
Mr. Petko Draganov (Bulgaria)
Mrs. Savitri Kunadi (India)
Mr. Roderic M. J. Lyne (United Kingdom of Great Britain and Northern Ireland)
Mr. Syargei Mikhnevich (Belarus)
Mr. Alphonse Oseku (Uganda)
Mr. Carlos Perez del Castillo (Uruguay)
Mr. Raimundo Pérez-Hernández (Spain)
Mr. Mounir Zahran (Egypt)

Rapporteur: Mr. Philippe Merlin (France)

4. In accordance with past practice, the Board agreed that the regional coordinators and China, as well as the Chairmen of the sessional committees, would be fully associated with the work of the Bureau.

C. Adoption of the agenda and organization of the work of the session

5. At its 895th (opening) meeting, on 12 October 1998, the Board adopted the annotated provisional agenda for the forty-fifth session contained in document TD/B/45/1, as amended by the President (see annex I).

6. At the same meeting, the Board adopted the organization of work for the session as set out in document TD/B/45/1 and, in accordance with that programme of work, established two sessional committees to consider and report on items on its agenda, as follows:

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* The officers of the Bureau were elected to serve for a year-long period beginning with the forty-fifth session of the Board.

Sessional Committee I

Item 5: Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s:

(a) Trade and investment in least developed countries: opportunities and constraints in the multilateral trading system;

(b) Contribution by the Board to the consideration by the General Assembly at its fifty-third session of the date, duration and venue of the Third United Nations Conference on the Least Developed Countries and its preparatory process

Sessional Committee II

Item 6: UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: prospects for agriculture, trade and industrialization

7. The following officers were elected to serve on the Bureau of Sessional Committee I:

Chairman: Mr. Pekka Huhtaniemi (Finland)

Vice-Chairman-cum-Rapporteur: Mr. Abdul Mannan (Bangladesh)

8. The following officers were elected to serve on the Bureau of Sessional Committee II:

Chairman: Mr. Mohamed-Salah Dembri (Algeria)

Vice-Chairman-cum-Rapporteur: Mr. Petr Havlík (Czech Republic)

D. Adoption of the report on credentials

9. At its 900th (closing) plenary meeting, on 23 October 1998, the Board adopted the report of the Bureau on the credentials of representatives attending the forty-fifth session (TD/B/45/12).

E. Provisional agenda for the forty-sixth session of the Board

10. The Board decided that, following past practice, the Secretary-General of UNCTAD would draw up a draft provisional agenda for the forty-sixth session of the Board and would present it to the Bureau at appropriate monthly consultations of the President of the Board in the first half of 1999.

F. Review of the calendar of meetings

11. At its 900th plenary meeting, on 23 October 1998, the Board approved UNCTAD's calendar of meetings for the remainder of 1998 and for 1999 (TD/B/45/L.4).

G. Administrative and financial implications of the actions of the Board

12. At the same meeting, the Board was informed that there were no additional financial implications stemming from any decision taken at the forty-fifth session of the Board.

H. Report of the Board on its forty-fifth session

13. At its 900th plenary meeting, on 23 October 1998, the Board took note of the reports of Sessional Committee I (TD/B/45/SC.1/L.1 and Add.1) and Sessional Committee II (TD/B/45/SC.2/L.1 and Add.1 and 2) and decided to incorporate them in the final report of the Board on its forty-fifth session.

14. At the same meeting, the Board adopted the draft report on its forty-fifth session (TD/B/45/L.1 and Add.1-4), subject to any amendments that delegations might wish to make to the summaries of their statements. The Board further authorized the Rapporteur to complete the final report as appropriate and, under the authority of the President, to prepare the report of the Trade and Development Board to the General Assembly.

Notes

[1] See Proceedings of the United Nations Conference on Trade and Development, Ninth Session, Midrand, South Africa, 27 April-11 May 1996, Report and Annexes (United Nations publication, Sales No. E.97.II.D.4), part one, sect. A.

[2] United Nations publication, Sales No. E.98.II.D.11.

[3] See Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994 (GATT secretariat publication, Sales No. GATT/1994-7).

[4] Official Records of the General Assembly, Fifty-third Session, Supplement No. 17 (A/53/17).

ANNEX I

Agenda of the forty-fifth session of the Board

1. Procedural matters:

   (a) Election of officers;

   (b) Adoption of the agenda and organization of the work of the session;

   (c) Adoption of the report on credentials;

   (d) Provisional agenda for the forty-sixth session of the Board

2. Segment for high-level participation: the impact of financial crisis on trade, investment and development: regional perspectives

3. High-level Mid-term Review

4. Interdependence and global economic issues from a trade and development perspective: the causes, management and prevention of financial crisis

5. Review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s:

   (a) Trade and investment in least developed countries: opportunities and constraints in the multilateral trading system;

   (b) Contribution of the Board to the consideration by the General Assembly, at its fifty-third session, of the date, duration and venue of the Third United Nations Conference on the Least Developed Countries and its preparatory process

6. UNCTAD's contribution to the implementation of the United Nations New Agenda for the Development of Africa in the 1990s: prospects for agriculture, trade and industrialization

7. Review of technical cooperation activities of UNCTAD in accordance with paragraph 96 of the document entitled "A Partnership for Growth and Development":

   (a) Review of technical cooperation activities of UNCTAD;

   (b) Progress report on UNCTAD's assistance to the Palestinian people

8. Other matters in the field of trade and development: progressive development of the law of international trade: report of the United Nations Commission on International Trade Law on its thirty-first session

9. Institutional, organizational, administrative and related matters:

   (a) Review of the calendar of meetings;

   (b) Administrative and financial implications of the actions of the Board

10. Other business

11. Adoption of the report.

ANNEX II

Discussion in the Trade and Development Board on UNCTAD's assistance to the Palestinian people*

1. The Chief, Inter-Organizational Affairs and Technical Cooperation, introducing the secretariat's progress report on assistance to the Palestinian people, said that particular attention was focused on operational activities that had been launched in seven fully or partially funded projects and proposed operational activities in five other project areas which remained unfunded. The secretariat would pursue its efforts to mobilize extrabudgetary resources from the United Nation Development Programme (UNDP) while the support of bilateral donors, including members of UNCTAD, would also be sought. Successful implementation of the activities in question would further develop UNCTAD's contribution to peace and development in the region. Finally, he welcomed the fact that partners in the field, both in the Palestinian Authority and in the family of United Nations organizations, continued to turn to UNCTAD for assistance, thus recognizing the role UNCTAD had played in the past and the concrete assistance it could provide in the future.

2. The observer for Palestine said that, although the progress report did not discuss the economic situation in the occupied territory, important analytical studies had been published in the course of the year by the UNCTAD secretariat. He commended the secretariat in particular for its study on the Palestinian economy and the prospects for regional cooperation, which Palestinian decision makers had found to contain constructive recommendations for future economic and trade policies.

3. He greatly appreciated UNCTAD's efforts to provide concrete support, through its technical cooperation activities, in respect of building Palestinian capacities and strengthening the institutions of the Palestinian National Authority in order to reconstruct and develop Palestine after three decades of Israeli occupation. It was imperative that those activities be sustained and intensified through the provision of the necessary financial resources. He called upon the Secretary-General of UNCTAD to deploy all the resources at his disposal to mobilize the necessary extrabudgetary funds for this purpose through the Consultative Group of donors.

4. He noted that the post of Chief of the Special Economic Unit was still vacant, which meant that the General Assembly resolution on the matter had not been implemented, despite the Secretary-General's repeated assurances and notwithstanding several letters from Palestine on the matter. The appointment as soon as possible of a special coordinator, as called for by the General Assembly in resolution 52/220 of 22 December 1997, was necessary to ensure continued delivery of concrete assistance to the Palestinian people in the present period preceding independence and in the building of the institutions and policies of the future Palestinian state.

5. The representative of Morocco, speaking on behalf of the Arab countries, congratulated the secretariat for its progress report and for its continued commitment to the Palestinian people. The Arab countries had always attached

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* For its consideration of agenda item 7 (b), the Board had before it a progress report (October 1997-September 1998) prepared by the UNCTAD secretariat entitled "Technical cooperation activities: report on UNCTAD's assistance to the Palestinian people" (TD/B/45/CRP.1).

great importance to UNCTAD's operational technical assistance for the Palestinian people and its analytical work on prospects for the development of the Palestinian economy. The fact that those two types of activity were being undertaken simultaneously reinforced their quality and impact. The analytical work should be strengthened with a view to providing a serious basis for operational activities and policy advice for the Palestinian Authority. UNCTAD's Mid-term Review had recently underlined that assistance to the Palestinian people should have a direct economic impact, and he encouraged the secretariat to reinforce its internal coordination and field presence.

6. It was a matter of concern that the secretariat had been able to secure only 45 per cent of the financial resources needed to implement its proposed projects. The bulk of funding to date had come from UNDP rather than from bilateral sources, and the Arab countries hoped that further resources could be mobilized to allow UNCTAD to fully implement its proposed projects.

7. In its resolution 52/220 the General Assembly had decided that UNCTAD's programme of assistance to the Palestinian people should continue to be carried out by a special coordinator and another member of the secretariat, but the progress report indicated that it had not been possible to implement the resolution because of budgetary constraints. The Arab countries were extremely concerned about that situation and hoped that a solution would be found.

8. The spokesperson for the African Group (Tunisia) welcomed the increasing emphasis in UNCTAD's assistance to the Palestinian people on concrete operational activities, including close coordination with the Palestinian Authority and the private sector. That action-oriented, demand-driven and associative approach had prompted extrabudgetary funding amounting too $550,000 for the current biennium. She thanked donors for their support and appealed for additional contributions.

9. As for staff needs, she expressed concern that secretariat resources did not match the increasing demands being made on it in that area. The Special Economic Unit had been reduced to only one officer, whereas General Assembly resolution 52/220 clearly stipulated that work should be carried out by a special coordinator at the P-5 level and a staff member at the P-4 level. The Secretary-General of UNCTAD was therefore invited to honour his commitment to maintain the Unit at its required level.

10. The spokesperson for the Asian Group and China (Indonesia) said that technical assistance was of paramount importance in helping a country to develop its capacity and build its institutions. She expressed appreciation to the Secretary-General of UNCTAD for providing much-needed technical assistance to the Palestinian people and to UNDP, United Nations Institute for Training and Research and the Government of Italy for supporting that technical assistance in a process that called for maximum international attention and goodwill. She urged donors and UNCTAD to lend their full support to those projects that still awaited funding and that should be commenced without further delay.

11. The continued vacancy of the post of special coordinator for assistance to the Palestinian people was preventing prompt and efficient implementation of projects, and her Group urged that the post be filled as soon as possible.

12. The representative of Pakistan said that it was heartening to note the increasing support of the international community for UNCTAD's programme of assistance to the Palestinian people. More needed to be done given the difficult circumstances facing the Palestinian people and the Palestinian

Authority. The secretariat's progress report reminded all of the tremendous development challenge facing the Palestinian people. Funds allocated to projects should be carefully approximated to needs, and there should also be coherence between projects so as to ensure their optimal impact. The institutional capacities in the secretariat to support the programme should be strengthened, and the post of special coordinator should be filled.

13. The representative of Egypt said that UNCTAD's technical assistance activities in support of the Palestinian private sector and the Palestinian Authority required constant support, so as to achieve their development objectives in the field and to assist the Palestinian people in overcoming the challenges still facing them. The continuing cooperation of the Palestinian Authority with UNCTAD and the voluntary contributions already made to those activities pointed to their vitality and effectiveness. However, only 45 per cent of the funds needed for UNCTAD's projects had so far been secured; he called upon the secretariat to undertake all possible efforts to mobilize those resources and hoped that the donor countries would contribute.

14. UNCTAD's Special Economic Unit for the Palestinian people still lacked its special coordinator, despite General Assembly resolution 52/220, which called for the appointment of the coordinator. He hoped the resolution would be implemented as soon as possible, and he requested that the Board be kept informed at the monthly consultations or at any executive session.

15. The representative of Italy, referring to the statement of Morocco and Italy's contribution to one of UNCTAD's projects of assistance to the Palestinian people, pointed out that, in addition to such direct bilateral funding, it should be remembered that much of UNDP's financing was itself from bilateral donors.

16. The representative of Cuba welcomed the progress report on technical assistance to the Palestinian people, which would contribute to the reconstruction of the Palestinian economy. The appointment of the special coordinator for the programme was long overdue.

17. The representative of Israel congratulated the secretariat on its professional and constructive progress report. Israel supported UNCTAD technical assistance to the Palestinian people and considered that it had a beneficial effect on the peace process in general. While important talks were currently taking place on that process in the United States, UNCTAD was making its own efforts for the benefit of the peace process. Israel especially welcomed the orientation of UNCTAD's projects, such as the Nablus industrial estate and the Entrepreneurship Development (EMPRETEC) projects mentioned in the report. Activities that could contribute to job creation and strengthen the Palestinian private sector were of great value.

18. He noted that 45 per cent of the funds required for UNCTAD's projects had been secured to date. For its part, the Government of Israel was willing to provide advisory services and training to the Palestinian Authority, and it was ready to do so in full cooperation with the UNCTAD secretariat.